# Daily Report

# Latin America

FBIS-LAT-93-200
Tuesday
19 October 1993

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## Latin America

*FBIS-LAT-93-200* *19 October 1993*

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## Cuba

### Castro Responds to Church Groups' Letter

*FL1710211093 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Oct 93*

[Letter from Cuban President Fidel Castro to "the signatories of the message to the Cuban Revolutionary Government, representatives of various religious institutions" in Havana on 13 October]

[Text] Havana, 13 October 1993

To the signatories of the message to the Cuban Revolutionary Government, representatives of various religious institutions.

Dear Brothers and Sisters:

I have carefully and respectfully read the documents issued following the recent meeting of pastors of the evangelical churches, ecumenical movements, Christian institutions, and Catholic laymen, especially the one directed, through me, to the Cuban Government. I want to take this opportunity not only to acknowledge that note but to express some ideas inspired by the reading of your observations so you may better contribute to the exchange of ideas you mention in your letter.

First, on behalf of all the companeros who right now carry the heavy burden of leading the country to port, safe from the dangers currently besieging it, I want to thank you for your word of encouragement and acknowledgment. At a moment when so many join to condemn and slander us, it is encouraging to see that such a large and distinguished group of men and women, who because of their spiritual and moral office are in a privileged position to evaluate without prejudice the efforts we are making, know how to value our efforts and the justness of our intentions.

We are happy to see that you understand the importance of joining efforts to end the criminal blockade against our country.

We believe that your note to the UN secretary general is a specific expression of a clear awareness about the paramount role the blockade plays in the context of current aggressive actions against Cuba, awareness about the major burden the blockade represents in the difficult situation our country is enduring, and awareness about the need to adopt definite positions condemning the blockade. This is the way to assume a stand of solidarity with the people, the way to usefully serve the fatherland.

We are also pleased that you have been able to understand the full significance of the solidarity Cuba is generating throughout the world as an expression of moral support, which is very meaningful in a world increasingly subjected to the hegemonic will of the dominant power, a support that our people appreciate in a situation as difficult as this one. We have always believed that we must count on our own forces to pull forward, that only our united and firm effort will give us victory. The primary importance of solidarity is that in addition to showing our enemy that Cuba is not alone, it encourages the people to continue to strive and reaffirms their trust.

We have never believed that we are omniscient or possessors of complete knowledge. With that in mind, we can struggle to improve our work and to adapt it to the circumstances existing at any given moment. I can assure you that I am not one of those who have been fully satisfied with what we have done, or one of those who believe that we cannot make mistakes. It should suffice to recall the reasons for and the very name of our rectification process, which was having very promising results. This process represented our awareness of the need for correcting errors and deficiencies resulting from the implementation of some formulas inherited from socialist construction processes or imposed here or inherited from history. This process represented our awareness of the need to produce more and to better benefit the people.

We share your reasonable concerns about the possible effects on the social sectors of some of the economic measures we are currently forced to adopt. We do not ignore the dangers lurking here. If we have taken these steps, with the full understanding of the majority of the people, it is because the nation had no alternative.

Of course, we could have chosen to preserve the purity of those values of equality that are the foundation of our struggle and which are the essence of our philosophy. Right now, however, it is more important to save the revolution and national independence by facing true reality and making decisions responsive to the exceptional circumstances bearing on Cuba as a result of the demise of the socialist nations and the heightened economic blockade by imperialism. The blockade harms us much more now that we have lost markets, prices, and basic supplies. Only an heroic, dignified, firm, and intelligent resistance can save our nation. We ask you to contribute your endeavors to the efforts all our state and social institutions are called upon to make so the erosion that could take place in these and other values and norms of individual and social conduct are minor.

One must say that if the revolution had not created those meaningful social ethics that only our most fanatical enemies ignore, we would not be debating these problems today. All our efforts have been geared toward the promotion of the sense of solidarity among mankind. That is why we much more than anyone else do not want to give up that higher goal of creating a community-oriented, human, and united society, with whom you express your commitment in your message.

Meanwhile, it is not possible to question or minimize the significance of the ethical, moral, and human values ingrained in the admirable effort made by our people all these years. What is this transformation task of the Cuban society accomplished by the revolution? What is

this sustained effort for almost 35 years to overcome illiteracy, to raise the school and the cultural level of the people? What is the struggle to reduce infant mortality to levels comparable with those of highly developed nations, translated into the saving of thousands of lives. What is the battle undertaken against all expression of discrimination due to race or sex? What is internationalism practiced in a reasonable manner by Cuba? "The true revolutionary is guided by great feelings of love." That was said by one of the purest revolutionaries of our times, Ernesto Che Guevara, whose death in the campaign against the common enemy of the people recently marked a new anniversary.

We have never ceased to be interested in or willing to stay in permanent communication with all sectors of our society who, although they hold different views on some of the current problems and their best solutions, nevertheless agree with us on the essential premise that these solutions must be subordinate to the higher interests of national survival. I think one of the most fruitful expressions of this willingness for communication was the April 1990 meeting with a large group of delegates from churches and ecumenical movements, where together we openly studied Cuban Christians' current concerns and expectations.

The possibility of believers joining the Communist Party of Cuba [PCC], considered after the agreements reached at the 4th 1991 PCC Congress were signed, was a very important step in the direction of this sector's full participation in society's political life. In addition, one of the most significant results of the constitutional amendments and the electoral system reforms was the possibility of ensuring greater participation in the makeup of the state's deliberative bodies at their various levels, to which an increasingly more important function is assigned in the group discussion of the matters of interest in the community.

Through the improvement of these new ways, the best possible use of their great potential, and through any other mechanisms that might be deemed feasible, practical, and useful, it is our purpose to remain open, as we have been up to the present, to any and every possibility of exchanging views and searching for common grounds on any of the subjects mentioned in your message. Brothers and sisters, the homeland is the task of all who are willing to sacrifice themselves for it. It is an altar, not a stepping stone, as Marti said. It is an altar where, without fanfare or boasts, we should place the best in each one of us for the benefit of an unpostponable collective work; not a pedestal where we can stand in the vain pretense of accumulating doubtful and late merits based on intrigue or treason. For this reason, we will always welcome the views, even if we disagree with them, of those sincerely interested in furthering our social progress work. We will never listen with respect, however, to those who harbor insidiousness, serve the enemy, or betray their people and homeland.

At a time when the Cuban nation's survival is at stake, it is our duty to preserve our unity and fight to the end. The Gospel warning: "Every kingdom divided against itself is brought to desolation; and a house divided against itself cannot stand" is valid for the country's present conditions. The country is harassed, blocked, and threatened by a powerful enemy bent only on destroying our identity and our independence.

Let us also bear in mind something against which Marti warned: "The Cuban revolution is not a beggar. It accepts and only asks from those who love and know her and obeys the country for which it is done."

Dear brothers and sisters, may you receive my cordial greeting, together with our government's gratitude, for the lofty and constructive purpose of your messages.

Yours truly,

[Signed] Fidel Castro Ruz.

## Attempted Escape Leads to Killing; 'Antisocial' Protests

*FL1810214593 Havana Radio Rebelde Network in Spanish 1800 GMT 18 Oct 93*

["Informative Note" published in the TRABAJADORES newspaper on 18 October]

[Text] Information to the population:

On the evening of Tuesday, 12 October, at approximately 1715 [2215 GMT], in a place known as Camino del Basurero de Celimar in Habana del Este Municipality, four coast guard agents detected two individuals signaling toward a tractor. The tractor was pulling a wagon carrying four people and a homemade raft. It was obvious that their intention was to make an illegal and risky departure from the Cuba.

The coast guard agents arrested the two individuals not in the wagon and ordered the others to stop the vehicle. The driver of the tractor accelerated and turned the tractor towards the agents, two of whom had to throw themselves to the ground. A third, whose rifle was destroyed by the vehicle, received an injury to his leg.

In the face of this situation, the coast guard agents fired blank warning shots. When the vehicle failed to stop, they shot live rounds at the tires of the tractor. One of the shots, they later discovered, hit an individual who was lying in the wagon. Nevertheless, the tractor and its occupants got away.

Minutes later, a patrol car of the National Revolutionary Police [PNR] stopped the tractor as it tried to leave Celimar and arrested three of the individuals, among them the one who was shot and later died while PNR agents transported him to the Luis Diaz Soto Hospital. The other individual involved in the attempt to illegally leave the country was arrested on 16 October.

The person who was fatally shot and three of his brothers, one of whom also participated in the operation, were considered antisocial in view of their criminal records and activities. Three of the six involved in the attempt to illegally leave the country have time and again committed this crime and have also manifested antisocial behavior. They were all of the type to whom the United States would never grant visas through legal and normal means. They could only reach their goal by doing what they tried to do.

On the morning of 14 October, during the funeral of the deceased, which was held in Regla Municipality, several participants in the burial tried to divert the hearse from its normal route. They broke the windows of the vehicle, beat the driver, and took the casket to pass in front of the PNR unit, during which many began shouting insults and counterrevolutionary slogans. Afterwards, they went to the cemetery. Upon returning from the cemetery, several dozen continued with the provocations. They were offset by revolutionary forces mobilized in response to the situation that had developed.

The next day, the same antisocial persons again met near the cemetery of Regla to stage similar provocations, requiring the massing of revolutionary forces in that place to control the troublemakers and to impede their continuation of counterrevolutionary activities.

As a consequence of these incidents, two people were injured. At all times, PNR agents acted with great calm, not allowing themselves to be pulled into the provocations. The patriotic forces of Regla were also serene, but demonstrated with decision and energy that the streets belong to the revolutionaries. Several malicious stories and gross, slanderous lies regarding the events were launched against Ministry of the Interior agents by elements hostile toward the Revolution.

As usual, the enemy propaganda abroad spread false, biased versions of the events to see what it could gain from these types of provocations, which are generated from abroad by internal and external enemies of our fatherland.

Several of those responsible for the incidents were arrested. It was later confirmed that the majority of the participants in these acts of provocation were of an antisocial element, their criminal behavior again demonstrating that lumpen and counterrevolution are closely related.

On the evening of 15 October, the people of Regla gathered to carry out an act of revolutionary reaffirmation, during which they condemned the provocations and manifested their decision to firmly defend the fatherland and Revolution in the face of all types of aggressions, and all types of enemies.

### Havana Notes Opposition to Intervention in Haiti

*FL1810165493 Havana Radio Reloj Network in Spanish 1532 GMT 18 Oct 93*

[Text] The presence of U.S. warships off the coast of Haiti has caused concern among nationals and foreigners in face of an eventual unilateral intervention by the United States in Haiti. Even though the United Nations accepted the request to decree the naval blockade of Haiti, and Washington did what it could to find others to join it in this military operation, the first opposing positions did not take long to surface.

The Dominican Government has constantly opposed any foreign intervention in its neighboring country. The Mexican Foreign Ministry clearly stated its position: We accept the embargo on Haiti, but we oppose all unilateral action, especially an armed intervention. On the other hand, Venezuelan Foreign Minister Fernando Ochoa Antich has come out in favor of a multilateral action but is opposed to any unilateral action against Haiti.

### Ciego de Avila Province Veterans Association Created

*FL1810021693 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 18 Oct 93*

[Text] The generations of yesterday and today have joined together once more in Ciego de Avila, on this occasion to create the provincial Veterans Association. The main goal of its over 10,000 members is the unconditional defense of the Revolution. Alfredo Hondal Gonzalez, member of the Politburo and first secretary of the Communist Party of Cuba in the province, and Division Generals Ramon Pardo Guerra and Joaquin Quintas Solas, chief of the Central Army, were on hand together with the top representatives of the provincial government.

The association is composed of members of the Rebel Army, the clandestine movement, Bay of Pigs veterans, veterans of the fight against bandits, and internationalist missions veterans, as well as members of the Revolutionary Armed Forces and Interior Ministry with over 20 years of active service, retirees, or on pension. All of them represent the unity of our forces in the task to survive and develop.

## Bermuda

### New Chief Justice Appointed

*FL1710214093 Bridgetown CANA in English 1933 GMT 16 Oct 93*

[Excerpt] Hamilton, Bermuda, 16 Oct, CANA—Barbados-born Austin Ward, "who has paid his dues" in the island's judicial system, has been appointed Bermuda's chief justice.

Ward, a Puisne judge who has lived in Bermuda for nearly 25 years, replaces one of his oldest friends and

colleagues, Sir James Astwood, who turned 70 on October 4 and by law had to retire. Sir James was Bermuda's first black and longest serving chief justice this century.

Ward had no immediate comment on his appointment other than to say he had a case on Monday so it would be back to work as usual. [passage omitted]

### Governor Completes Senate Appointments

*FL1810145993 Bridgetown CANA in English 1207 GMT 18 Oct 93*

[Text] Hamilton, Bermuda, 16 Oct, CANA—Governor Lord Waddington has completed the make-up of Bermuda's 11-member upper house by naming his three independent senators, including the retiring chief of the island's electric light company, Belco. The appointment of 65-year-old, London-born, Alf Oughton, who has been with Belco for 38 years, is the only new independent face in the Senate. He replaces Joe Johnson, who had served for five years. In a letter to Johnson, the governor said he regretted asking him to stand aside because of his "wise counsel and level-headed contribution" but it was necessary to make changes from time to time.

Oughton, who retires later this year as Belco's chief executive, joins Norma Astwood and Albert Jackson as independent senators. The ruling United Bermuda Party's five senators include Gerald Simons, who lost his seat in the recent general election but has retained his Environment Ministry portfolio.

The opposition Progressive Labour Party's (PLP) three senators are all newcomers to the upper house—two of them, Neletha Butterfield and Terry Lister, were losing candidates in the election. The opposition senate leader will be teacher Milton Scott. Two former PLP senators, Alex Scott and Trevor Woolridge, won seats in the House of Assembly in the election. The other former PLP senator, Ira Philip, was dropped.

## Dominican Republic

### Opposition Party Announces Presidential Candidate

*PA1810045293 Madrid EFE in Spanish 2333 GMT 17 Oct 93*

[Text] Santo Domingo, 17 Oct (EFE)—The opposition's Independent Revolutionary Party [PRI] today announced the party's presidential candidate for the Dominican presidential elections scheduled for 16 May 1994. The PRI candidate is former Dominican President Jacobo Majluta Azar, the party's president.

The proclamation was made unanimously by the 2,000 national delegates who participated in the event held in a Santo Domingo Hotel.

Majluta was president of the Dominican Republic from 4 July to 16 August 1982, when then President Antonio Guzman Fernandez was put on trial with this short period of time remaining in his term in office.

### * First Half Revenues Up 1.745 Billion Pesos

*94CA0001A Santo Domingo LISTIN DIARIO in Spanish 3 Sep 93 p 1-D*

[Article by Pedro Caba]

[Text] First half tax revenues rose by 1.745 billion pesos over the same period last year, according to figures provided by the Finance Ministry.

The biggest increase was from the Customs administration, where revenues rose from 3.2722 billion pesos in the first half last year, to 4.112 billion during the same period this year.

This was followed by the Internal Revenue Administration, which increased from 841.7 million pesos to 1.0838 billion; Income Tax, from 2.0981 billion to 2.4535 billion, and the National Treasury, from 1.5799 billion to 1.8973 billion.

In total, 7.8019 billion pesos were collected the first half of last year, compared to 9.5468 billion this year.

Customs charged 4.1084 billion pesos for imports, and only 800,000 pesos for exports.

With respect to the ITBI [General Sales Tax], the amount collected last year was 562.9 million pesos, compared to 701.7 million this year.

The difference in oil prices gave the fiscal authorities 1.1468 billion the first half of this year, compared to 1.0731 billion during the same period last year.

The National Lottery almost doubled its collections this year, rising from 96.7 million pesos to 188.2 million.

According to the Finance report, sales of rum and beer increased this year over the same period last year, but fell in the cigarettes, whiskey, and gin categories.

Among alcoholic beverages, during 1990-1993 only beer showed cumulative annual growth, while other beverages behaved irregularly.

**Fiscal Revenue per Collecting Department (in Millions of Dominican Pesos)**

January-June

| Department | 1990 | 1991 | 1992 | 1992 | 1993 |
|---|---|---|---|---|---|
| Customs | 2,769.4 | 4,409.7 | 7,526.7 | 3,272.2 | 4,112.0 |

| | | | | | |
|---|---|---|---|---|---|
| Income Tax | 2,273.2 | 3,271.3 | 3,952.4 | 2,098.1 | 2,453.5 |
| Internal Revenue | 1,182.2 | 1,435.9 | 1,813.0 | 851.7 | 1,083.8 |
| National Treasury | 927.4 | 1,309.9 | 3,409.6 | 1,579.9 | 1,897.3 |
| Total | 7,152.2 | 10,426.8 | 16,701.7 | 7,801.9 | 9,546.6 |

### * Growth Rate Drops in First Half

*94CA0001B Santo Domingo LISTIN DIARIO in Spanish 2 Sep 93 p 1-D*

[Article by Pedro Caba]

[Text] Dr. Licelott Marte de Barrios stated confidently that the Dominican economy had experienced a "deceleration in its growth rate" during the first half of this year, compared to the previous period, which cannot be interpreted as recession.

The finance secretary stated that under no circumstances can it be said that 0.8-percent growth in output can be classified as a decrease in the level of economic activity, and she thus maintains that the statement that the economy is being affected by a recession "does not correspond to actual reality."

She holds, according to statements to this newspaper, that the livestock sector grew by 3.8 percent and fishing by 3.2 percent, while the value of sugar production at 1970 prices rose from 62.8 million pesos in 1992 to 65.8 million in 1993, a growth rate of 4.8 percent.

Furthermore, she said, imports grew by 6.6 percent the first half of the year, while during the same period last year they grew by 26 percent, while exports of goods continued to shrink, from 21.6 percent growth in the first half of last year to only 9.1 percent this year.

Another variable that increased was gasoline imports, by 3.9 percent, while energy sales increased by 19.4 percent, primarily because of the industrial and commercial sectors.

Fiscal revenues totalled 9.551 billion pesos and tax revenues grew by 40.8 percent.

And with respect to employment, she emphasized that the industrial free zones alone created 8,349 jobs during the period.

"In economics, a recession is defined as a period of at least six months, during which output, trade, and income declines, accompanied by increased unemployment rates," she said, showing that this does not correspond with what has happened in this country.

### * Rice Growers Protest Widespread Price Hikes

*94CA0001C Santo Domingo EL SIGLO in Spanish 2 Sep 93 p 2*

[Article by Marino Zapete C.]

[Excerpt] A group of farmers organized into the National Federation of Private Rice Growers protested that some providers of agricultural and livestock supplies and machinery had raised prices in recent weeks, to prevent growers from benefiting from the reduced tariffs.

Group spokesman Engineer Juan Anselmo Jimenez, who visited this newspaper's offices, said that if the authorities permit the increased prices on agricultural supplies, equipment, and machinery, the tariff reduction on those products to 3 percent will have been for naught.

"The basic objective of the struggle to eliminate the taxes those producers pay was to reduce production costs, to make agriculture a profitable activity, but if that reduction does not reach the farmers, it was not worth the trouble," Jimenez said.

He specified that some days earlier, a fertilizer distribution company had increased its prices by 20 pesos per sack, which in his view is a sign of intentions to prevent production costs from falling.

The president of the organized private rice growers demanded that the authorities intervene to prevent intermediaries from expropriating the benefits that reduced tariffs on supplies would generate.

For his part, Dr. Osmar Benitez, executive director of the Dominican Agribusiness Board, when asked about the rice growers' accusation, said he was familiar with it, but had not yet confirmed its validity. [passage omitted.]

### * Banker Calls for Lower Commodities Prices

*94CA0001D Santo Domingo EL SIGLO in Spanish 2 Sep 93 p 1*

[Article by Marino Zapete C.]

[Text] Production costs of agricultural activity should decline at the rate of the reduction of the assessments levied on agricultural supplies, machinery, and equipment, according to a statement yesterday by Banco Agricola [Bagricola] Administrator agronomist Pedro Breton.

The official made his statement in response to a protest by a group of rice growers, according to whom some merchants have increased the prices of supplies to reap greater rewards under the application of the new Customs Code.

Breton said that provided that international prices of agricultural supplies, equipment, and machinery do not

rise, in the Dominican Republic the prices of those products should decline, because their tariffs have been reduced.

"The prices of agricultural supplies have to fall, because when taxes increase, sellers of those products raise prices; so now that the tariffs have fallen, the prices must fall," he stated.

The official said that both Bagricola and the Agriculture Ministry will follow up on the pricing behavior, to ensure that production costs fall, because that is the government's objective.

He added that "within a framework of justice, all agricultural supplies, equipment, or machinery entering the country after the new Customs Code has been promulgated should be sold more cheaply by the producers, because they are paying lower taxes than before."

Breton said that the Government agreed to preferential treatment for agriculture and livestock under the new Customs Code, with a view to making agriculture more profitable, not to benefit sellers of supplies.

He clarified that in the case of fertilizer, the price decline will not be significant, because there has been no significant change in the tariffs paid on them.

He said, however, that the reduction would be more significant for insecticides, fungicides, nematocides, equipment, and machinery, which pay higher tariffs.

According to a study by the Dominican Agribusiness Board (JAD) before the new Customs Code was approved fertilizers paid 6.5 percent in tariffs, and insecticides, fungicides and nematocides 12.5 percent.

The producer organizations said that on many occasions in the livestock subsector, equipment and machinery paid up to 35 percent.

According to this information, it can be concluded that the price reductions should be significant in certain categories, as soon as imported products begin to enter the market under the new tariff regime.

In a document delivered to the news media while the Customs Code was being discussed, the JAD stated that the establishment of a 3-percent tariff for agricultural supplies, equipment, and machinery would represent a reduction of 300 million pesos per year in production costs for Dominican agricultural and livestock output.

### * Jan-Jul Falconbridge Earnings: $7.7 Million

*94CA0001E Santo Domingo EL SIGLO in Spanish 3 Sep 93 p 1-D*

[Article by William Rodriguez]

[Text] Bonao—Despite the low world market prices for nickel, the Falconbridge mine earned $7.7 million the first seven months of this year.

From January to July Falconbridge paid $7.4 million to the Dominican Government, according to a statement in the most recent issue of its news publication BOLETIN PUENTE HALCON.

The report says that in these seven months the mine has produced 24,380,706 pounds of nickel, while 25,991,531 pounds of the metal were shipped.

It states that company's net earnings were $7,708,964, while it paid the Dominican Government $7,425,265.

This situation implies a significant decline in production, shipping, earnings, and payments to the State, compared to last year, when the price of nickel on the international market had not fallen to today's levels.

From January to June of lastyear, total Falcondo production was 34.1 million pounds of nickel, while exports were 34.4 million.

The company's earnings during that period were $17.7 million, while payments to the Government totaled $39.3 million.

Falconbridge President Richard Faucher said in the magazine's editorial that "we have seen the price of nickel descend from almost four dollars a pound at the beginning of 1991 to around $2.30."

He explained that the decline in nickel prices was the result of a new political order in the Russian Federation after the collapse of its old economic structures.

He added that, Russia being the largest nickel producer, when it needed funds to restructure its economy it chose to produce a greater quantity of metals like nickel, aluminum, and others, for export to the West.

He explained that shippers have increased their inventories and it could be one to five years before they go down again.

He indicated that prospects are for metal prices to fall to levels as low as from $2.20 and $2.00 per pound, if some of the largest producers do not announce production cuts.

He said that to manage under these low prices, the company's objective over the next 12 months will be to reduce costs by another ten cents per pound to maintain a profitable operation and sufficient working capital to be able to invest in equipment and improve ventilation.

### * Electoral Board Presents Election-Year Budget

*94CA0001F Santo Domingo LISTIN DIARIO in Spanish 3 Sep 93 pp 1, 14*

[Article by Tulio Navarrete]

[Text] The Central Electoral Board yesterday sent a proposed 1994 budget to the Executive Branch, totalling 258,333,343.00 pesos, with which it will cover expenses related to organizing the next general elections.

The assembled court had approved the proposed budget at its plenary session last 31 August.

It was reported that the Board's new budget for the coming year is distributed among the three programs under chapter 401, i.e., General Administration, at 194,874.10 pesos, Civil Records, at 429,575,938.00, and Identity and Voting Cards at 433,882,625.70 pesos.

It was also indicated that in the proposed budget "current expenditures increase to 4,239,275,068 pesos, or 92.6 percent, and capital investment is on the order of 19,058,275.00 pesos, or 7.4 percent."

The categories that in the view of Board officials "deserve to be emphasized," relate to "very specific executing agencies," at 173,435,800.00 pesos, for electoral expenses and to provide continuity to the new Identity and Electoral system."

Some 26,782,000 pesos were allocated to the so-called "reserve account," for salaries of officials, civilians, and auxiliary personnel, as well as the purchase of equipment, office supplies, books, forms, and other items, pursuant to law 8-92 of April 13, 1992.

Finally, there is the amount of 58,115,543.00, which corresponds to the Board's normal budget. Together, the three categories comprise the consolidated total 1994 budget.

The assembled court also sent copies of the proposed budget to Senate President Engineer Jose Osvaldo Leger, Chamber of Deputies President Dr. Jorge Botello, and Budget Director Julio Reyes Bisono. "This is a proposed budget strictly subject to the real needs of the Central Election Board," declared Dr. Manuel Garcia Lizardo, president of the assembled court.

## Haiti

### Cedras on CNN Requests Amnesty Vote by Parliament

*FL1910010693 Port-au-Prince Signal FM Radio in Creole 1130 GMT 18 Oct 93*

[Excerpts] The head of the Haitian Army, General Raoul Cedras, suggested on 17 October that a Vatican emissary, even Pope John Paul II himself, be used as mediator in the Haitian crisis instead of Dante Caputo, who represents the UN/OAS. During an interview in French from Port-au-Prince to television station CNN, the commander in chief of the Haitian Army accuses the UN/OAS mediator, Argentine Dante Caputo, of not having always kept the United Nations well informed through his reports to that organization.

As the pope is a moral authority respected throughout the world, we encourage citizens to ask all sectors for a national conference to request the mediation of the Holy Father, Pope John Paul, stated Raoul Cedras.

Answering a question about his possible resignation as provided for by clauses of the Governors' Island Agreement, Gen. Cedras asked Jean-Bertrand Aristide, constitutional president of the country, to convene the Haitian parliament by decree to allow for a vote on a law for amnesty, which President Aristide granted through a simple order, but which Gen. Cedras and especially Haitian jurists deem insufficient. My request to be retired even before the due date will come as early as today if all the points previously provided for in the chronological sequence of the Governors Island Agreement are implemented, according to statements by Gen. Cedras. He was wearing his military uniform in front of a flag of the Republic of Haiti at the Army General Headquarters in Port-au-Prince.

He went on to say he knows there should be a vote on the amnesty law, which is ready in the parliament. What we are now looking for, he said, is a convening decree from President Aristide. [passage omitted]

These are statements by Gen. Raoul Cedras on CNN, a U.S. television station. The commander in chief of the Haitian Army pointed out that the Haitian people do not intend to defy the United States. This problem is an internal problem, a problem that concerns only the country. I believe it should be solved by the Haitians themselves, said Gen. Cedras. He also said that severe actions are going to strike the country, things that may bring tears to people's eyes and bloodshed to Haiti. This is a statement by Gen. Cedras. He said this is not what we were expecting. He asserted that there is no threat against any Americans living in Haiti. This country, he said, is not a threat to peace. It is not at war with other countries.

These were statements by Gen. Raoul Cedras during an interview with U.S. television station CNN.

### Army Seeks National Reconciliation Through Dialogue

*FL1810214693 Port-au-Prince Signal FM Radio in Creole 1130 GMT 18 Oct 93*

[Text] The Haitian Armed Forces [FADH] urges all of the country's social strata to use every possible means to maintain a climate favorable to dialogue which is, according to FADH, the only way to achieve a national reconciliation, which is the foundation of retaining our sovereignty. The danger that society is experiencing today requires us to ignore any provocations, regardless of source, and to close our ears to rumors devised to create an artificial panic in the country.

The FADH says it remains convinced that in spite of biased manipulations geared toward exacerbating the national temperament, all Haitians must once again call upon their reserves so they can offer any foreigners, residents, or visitors the customary, proverbial hospitality that, despite our disparagers, nourished the image of the country.

Furthermore, the Army says that without mutual respect and tolerance, nothing good and nothing lasting can be achieved in the country. It says that it reiterates its willingness to work toward a peaceful transition and reaffirms its commitment to the great principles stated in the UN charter, Haiti's Constitution, and its laws. This note was issued by the secretariat of the general staff of the Haitian Army.

### Radio Reports on Situation in Port-au-Prince

*FL1810163793 Port-au-Prince Signal FM Radio in Creole 1130 GMT 18 Oct 93*

[Report by Leon Tes Dorzulme—recorded]

[Text] There is great concern in Port-au-Prince these days. Many people are worried because they do not know what tomorrow will bring. The streets of Port-au-Prince were calm on Sunday, 17 October. Many people were packing up to go to provincial cities. They are fleeing the streets of Port-au-Prince because this city has gotten too tense for them. On the eve of the general strike that was initiated by the Revolutionary Front for Haitian Advancement and Progress for today—and today is a day of mourning—how is the situation in Port-au-Prince? The following is a report by Leon Tes Dorzulme.

[Dorzilme] The situation appears to be confusing throughout Haiti prior to UN sanctions being applied against the country. Gunshots were heard in a number of places, especially in Port-au-Prince, over the weekend. Because of the dark, a number of groups, who have weapons and sometimes wear uniforms, are appearing everywhere in the capital. Some are mobilized in various working- class neighborhoods in Port-au-Prince.

According to what we have learned, no one was victimized over the weekend. Inhabitants in several neighborhoods are leaving their homes for the provinces. On the morning of 16 October, many people were looking for a seat aboard public transportation at the stations linking Port-au-Prince to the provincial cities. Many students, who had left the provinces for Port-au-Prince so they could continue their studies, preferred to return to their homes in the counties.

Furthermore, the prices of staples are increasing dramatically. We can cite as an example the price of a sack of rice imported from Miami that has risen from $54 [Haitian] [270 gourdes] to $63 [315 gourdes]. According to statements by observers, the application of the measures considered by the United Nations will seriously affect the impoverished, those who are underprivileged in Haiti, especially the poor. UN Security Council Resolution 876, that was unanimously adopted in New York on the night of 13 October, was passed in order to force the military authorities to leave power.

We have noted that gas stations are beginning to change their schedules. They do not sell fuel like they did before. On 17 October, there were gas stations that were completely closed. We noted that several gas stations have not distributed fuel since 16 October. Drivers go from gas station to gas station to see if they can purchase fuel. So, we can see there are added pressures on the part of drivers who are attempting to save fuel just in case there is no longer any fuel due to the sanctions already adopted by the United Nations. We can say people are checking their clocks and watches. The UN resolution will be effective today [18 October] at midnight.

### Eight Weekend Murders Reported in Port-au-Prince

*FL1910010393 Port-au-Prince Radio Metropole in French 1600 GMT 18 Oct 93*

[Text] Let us point out that according to the Haitian Press Agency, at least eight people were murdered in Port-au-Prince over the weekend, mostly on Saturday night (16 to 17 October).

Five people are reported to have been killed in Delmas 41. Two dead bodies were still in the street on Sunday, 17 October. Armed individuals killed two people and wounded two others in the Christ-Roi neighborhood. A young woman was found dead in the Valieres public market, downtown. Her body was still lying in a pool of water late today. Three other persons were shot or otherwise wounded on Nazon Second Street and Poupelard Avenue.

It should also be noted, according to a press release from the Haitian Armed Forces, that a soldier, Jean-Baptiste Antoine, was killed while on guard last week, on 10 to 11 October, in Petit-Goave. According to this Army press release, another soldier, Fleurant Dieuseul, was kidnapped, taken to Avenue Jean-Paul 2, and shot down. The Haitian Armed Forces expresses indignation and offers its sincere condolences to sorrowful parents and friends.

### Revolutionary Council Requests New Negotiations

*FL1910010893 Port-au-Prince Radio Metropole in French 2000 GMT 18 Oct 93*

[Report on news conference by the 11 October Revolutionary Council in Port-au-Prince on 18 Oct—recorded]

[Text] The 11 October Revolutionary Council held a news conference today to request new negotiations, but without providing an update on the return of President Aristide. Edner Jean filed a report:

[Begin recording] [Jean] It was with bouquets of white roses that speakers greeted Haitian and foreign journalists. To quote moderator Patrick Brutus, [the flowers] are a token of hospitality and respect towards members of the press.

Professor Gerard Bissainthe presented a ten-point report in which the Revolutionary Council reiterated its opposition to any armed intervention in the country to

promote the return of President Aristide. The members of the Revolutionary Council, Carl Denis, Gerard Bissainthe, Montalvo Despeignes, and Reynold Georges expressed indignation over the decision by the U.S. Government and the UN Security Council to reestablish and reinforce sanctions against Haiti.

They said that the international community will have on its conscience the thousands of deaths that will result from these sanctions. Gerard Bissainthe further denounced what he calls, the (maniquenne), simplistic idea of a Haitian reality in which the good guys are those who sell their country, and the bad guys are those who oppose them. Those who sell their country are the lavalas, explained the Revolutionary Council spokesman. Defending himself against implications that he is behind the Army, he said that it is not only the military that opposes them [not further identified].

This resistance to foreign aggression represents the greatest majority in the Haitian political reality, according to the Revolutionary Council member. The four Council representatives denied charges of perpetual violence in all the cities and towns of the country, as well as reports that Port-au-Prince streets are always littered with dead bodies. The 11 October Revolutionary Council finally came out for cooperation among nations and peoples, but said it rejects paternalistic, proconsular assistance.

Following are statements by Gerard Bissainthe who sent a message to the foreign journalists in the room:

[Bissainthe] We are asking you to tell your people that somewhere in the Caribbean, there is a martyred, slandered nation called Haiti which seems to be punished for having been the first colored nation in history to achieve independence; that it risks strangulation because it has decided to use its rights of legitimate defense against internal aggression by sowers of hatred and preachers of revenge, and against the external aggression of cold, cruel organs of the United Nations, which are not representatives of its people, but who wish to condemn and punish it without ever listening to it.

[Jean] Reynold Georges pleaded for the indictment of President Aristide for the crime of high treason. To support his statement, the ALLAH [Alliance for the Liberation and The Advancement of Haiti] leader simply evoked certain articles of the Constitution.

Carl Denis insisted that General Raoul Cedras and Lieutenant- Colonel Michel Francois remain at the head of the army and the police. They are our guarantees in the face of maneuvers by Jean-Bertrand Aristide, he insisted.

Montalvo Despeigne, in a martial vein, let it be understood that he was willing to tactfully answer to foreign aggression. He also called for new negotiations, but without the United Nations and Aristide.

[Despeigne] If there must be negotiations and renegotiations, they cannot be based on one man. The restoration of Jean-Bertrand Aristide as president of the Republic is not a criterion for renegotiation, or for any future negotiation. If the restoration of Jean-Bertrand Aristide must be the first consideration in all negotiations, Haiti will turn in upon itself and like Vertieres, face international danger. In case of invasion, this country will defend itself.

[Jean] Then Patrick Brutus went on to condemn Haitian journalists and praise foreign journalists. The white people are much more objective than Haitians in handling information, he said. Brutus implicitly charged the Haitian press with most of the responsibility for the Haitian crisis because, he said, we do not create balance in our information, and so forth. He did not have time to end his address when the majority of Haitian journalists, in a surge of solidarity, left the conference room, leaving the Revolutionary Council alone with our foreign colleagues who arrived in the country following the 11 October events. [end recording]

## St. Lucia

### Agriculture Minister on Cost of Banana Strike

*FL1710215793 Bridgetown CANA in English 1507 GMT 17 Oct 93*

[Text] Castries, St. Lucia, Oct 17, CANA—A three-day strike just over a week ago by banana farmers seeking higher prices has cost St. Lucia more than EC2 million dollars (one EC dollar - 37 cents US), says Agriculture Minister Ira d'Auvergne.

The figure is reported to be rising.

D'Auvergne said as a result of not shipping bananas last week, the St. Lucia Banana Growers Association (SLBGA) owed marketers, geest industries, 500 000 dollars.

On Friday a government release warned growers a strike would harm the industry. It reported a major shipment last week resulted in 500 tons of bananas being left on the docks at a cost to the growers association of 1.75 million dollars.

Growers reaped a crop of nearly 4,000 tons of bananas this week, which was 1,500 tons more than the normal weekly shipment. It included bananas which should have been cut last week.

The fruit harvested last week was more than could be transported. A geest ship left for Europe practically empty during the strike.

Protesting farmers erected road blocks along the main highways into the capital, Castries, and Vieux Fort, in the south—the two reception points—and no bananas reached the docks.

The notice from Prime Minister John Compton's office Friday said it was because he had foreseen these costs that he warned growers against carrying out the strike. "This warning went unheeded and now we must all pay the price," said Compton.

## President Franco Rejects Joint Note in Support of NAFTA

*PY1810132393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Oct 93 p A7*

[Article by special correspondent Tania Monteiro]

[Text] Santiago—During the opening session yesterday of the Rio Group summit, President Itamar Franco rejected a proposal by Colombian President Cesar Gaviria to countries participating in the summit to send a note to the U.S. Congress requesting the approval of NAFTA [North American Free Trade Agreement] which proposes a free trade agreement among Mexico, the United States, and Canada. "Brazil has nothing against NAFTA," Franco said, rejecting the proposal, adding: "I just cannot agree to the Rio Group meddling in the domestic affairs of another country."

Brazilian Presidential Spokesman Francisco Baker said the president categorically rejected that attempt to meddle in internal U.S. affairs. As soon as Gaviria submitted the proposal, the Brazilian president began gesticulating in a sign of disapproval. "Brazil does not agree to such meddling, considering it preposterous and irrelevant," Franco insisted, according to the spokesman.

Argentina did not agree with that meddling either. Since there was no consensus, the issue was brought up again at lunch time, and once again Franco rejected it. The Colombian president said he had received a request from U.S. President Bill Clinton to the Rio Group to defend the creation of NAFTA. That night, Clinton sent a note to the summit members saying that he is committed to the concept of more open hemispherical trade as a long-term goal for the region. He added that the approval of NAFTA is the first step toward that objective throughout America.

In his speech at the opening session yesterday, Franco submitted a proposal for the creation of a free trade zone in South America, which would be established in the next 10 years. The Brazilian president said: "That economic agreement would be an evolution of current processes of Mercosur [Common Market of the South], the Amazon initiative, and the Andean Group." He added: "A free trade zone like that will encourage rapprochement of the integrationist experience in South America with NAFTA, the Caribbean community, and the Central American Common Market."

## More on Division Over NAFTA

*PY1810213993 Buenos Aires PAGINA/12 in Spanish 17 Oct 93 p 21*

[Article by Maria O'Donnell]

[Excerpt] Santiago de Chile—[Passage omitted] The subjects raised during the summit—which lasted two days and was divided into three working sessions—were of a commercial nature: the GATT Uruguay Round of talks and the North American Free Trade Agreement, NAFTA, signed—but not ratified—by the United States, Mexico, and Canada.

Point No. 19 of the declaration, which also contains veiled criticism of the protectionist measures imposed by industrialized nations, reads: "We strongly urge the international community, and especially the industrialized countries, to conclude the Uruguay Round in a fully satisfactory manner."

As for NAFTA, the Rio Group states that the treaty's implementation will open new prospects for trade and development throughout the hemisphere. This short phrase was the result of the most intense negotiations carried out during the summit. According to a very high-ranking Brazilian Government source, Colombia's Gaviria asked to speak on 15 October to disclose that he had received a call from U.S. President Bill Clinton, who asked him that the Rio Group send the U.S. Congress a letter voicing its interest that the treaty be ratified.

NAFTA's fate will be at stake during the next few weeks in the United States, and Clinton is looking for any support that may help him get a majority of congressmen to ratify it. On 15 October, Clinton sent a letter to the Rio Group presidents mentioning that NAFTA is the first step toward establishing a free trade zone in the entire continent.

When Colombia suggested sending the U.S. Congress a message, Brazil energetically voiced its opposition with the argument that it would represent an intervention in U.S. domestic affairs. But the real reason was that none of the Common Market of the South (especially Argentina and Brazil) member countries wanted to devote much of the summit to NAFTA and wanted to avoid Mexico becoming the entrance for the rest of the continent's countries to the U.S. economy.

Colombia's interest lies in the fact that it has just signed with the Group of Three (to which it belongs together with Mexico and Venezuela) a free trade agreement that, according to a Colombian diplomat, "puts us at the top of the list when NAFTA expands," but there was no consensus on this initiative, and the Rio Group decided to entrust Aylwin with the responsibility of answering Clinton's letter but not writing to Congress.

President Gaviria, during the news conference, denied "Clinton carried out any negotiations under the table" to pressure the Rio Group but, in response to a specific question by PAGINA/12 as to whether the subject had caused a confrontation with his Brazilian counterpart, Gaviria answered: "The important thing is the presidents' full agreement to address the U.S. Government" through Aylwin.

The Rio Group fully agreed when it came to condemning the protectionist measures imposed by developed countries and demand the conclusion of the Uruguay Round of talks. However, when it came to discussing the integration processes in the region, the countries were

divided according to the possibility each of them has to become NAFTA members. And Chile, the host country, remained in the middle because it belongs to no bloc. A Chilean diplomat explained: "For the time being we sign bilateral agreements and that gives us a better chance to choose which bloc we want to belong to later on."

## Salinas Meets With Czech Prime Minister Klaus

*PA1910041993 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 19 Oct 93*

[From the "Plenty of News" newscast; live relay by Mexico City XHTV Television Network]

[Text] Mexican President Carlos Salinas de Gortari met with Czech Prime Minister Vaclav Klaus at the presidential house, Los Pinos, today. Klaus is on an official visit to Mexico.

At the Benito Juarez Presidential Office they discussed the bilateral agenda between Mexico and the Czech Republic, while they stressed the economic reforms taking place in both nations. They also agreed that bilateral relations will contribute to greater dynamics and opportunities for cooperation and trade. The prime minister told Salinas that his visit to Mexico is a clear demonstration of the Czech Republic's interest to strengthen ties with Mexico.

## Cardenas Accepts PRD Presidential Candidate Nomination

*PA1810224393 Mexico City Canal 13 Television Azteca Network in Spanish 1200 GMT 18 Oct 93*

[From the "Good Morning Mexico" newscast]

[Text] Cuauhtemoc Cardenas Solorzano cited the dismantlement of the reforms instituted by President Carlos Salinas de Gortari as the main issue of his campaign. He made the announcement while accepting the nomination as the Party of the Democratic Revolution's [PRD] presidential candidate. The event took place at the Sports Palace before approximately 20,000 supporters. Cardenas Solorzano had been officially nominated last Saturday at a meeting of the PRD National Council at the Mexico Theater before the party's leadership.

[Begin Cardenas recording] We still have time to apply some political logic. Let's use our imaginations and show our patriotism, even in our most basic actions. In doing so, we will ensure that the electoral process unfolds without any serious consequences so the people may freely choose the political alternative that they believe will best benefit Mexico's interests. [end recording]

Cuauhtemoc Cardenas accepted the nomination this past Sunday. His acceptance speech lasted almost 90 minutes. He spoke of reversing the constitutional reforms made by the present administration, said that he intended to assume power in 1994, and promised to carry out his struggle within the law. The two-hour ceremony concluded without incident.

This has been a very intense weekend for the PRD. It is noteworthy that PRD President Porfirio Munoz Ledo appealed to political forces to avoid excesses and provocations. This formal event made Cuauhtemoc Cardenas the first official candidate in the 1994 campaign, although we should note that Cardenas has been campaigning for several months. He began in February 1993, when he was proclaimed presidential candidate by the people.

During his speech he emphasized the need to reverse all those measures President Carlos Salinas de Gortari implemented by way of constitutional reforms. He said he would do so either by consulting the people or convening a constituent congress.

The first changes he plans to send to Congress concern the reforms made to Articles 16, 20, 107, 119 and 121, as well as Articles 27 and 3 of the Constitution. Article 130, which governs relations between church and state, still has substantial limitations that must be removed. Regarding Article 27, Cardenas said we have the obligation to reverse the constitutional reforms that stripped the peasants of their right to productive soil.

In short, the candidate's platform is the following: We will carry out an in-depth review of our Constitution by presenting the people a draft or by convening a constituent congress. Regarding the economy, I propose a revision of the current privatization plans and the implementation of regulatory systems to govern the new corporations' activities. I also propose, he said, to reenact state regulation of the economy. The state must invest in a wide range of economic activities to supplement its budget and, when necessary, to share the risks.

He also suggested the creation of government enterprises in association with local or foreign corporations, ranging from capital goods to specific application software. Cardenas, in a clear reference to the Lopez Portillo oil bonanza era, said that oil must again become a catalyst for economic development and independent growth. He also suggested that the country accept foreign investment, but only directly productive efforts. That would eliminate any future efforts to attract foreign income through the stock market.

## * Meyer Cites Presidential Power Excesses

*94CA0006B Mexico City EXCELSIOR in Spanish 26 Aug 93 pp 1-A, 29-A*

[Commentary by Lorenzo Meyer, Colegio de Mexico international relations specialist: "The Politics of Humiliation"]

[Text] It is still a fact today that anyone who wants to have a career in the prevailing political system must be prepared to sacrifice several things, among them more or less large measures of one's dignity.

To better understand the nature of the presidential succession in Mexico, for example, it makes more sense to read "Palabras mayores" [Strong Words] by Luis Spota than Aristotle's "Politics." Indeed, there is no better way to understand to what extent eating humble pie is part of the power system than to observe the

process of Mexico's "destape" [the unveiling of the PRI's [Institutional Revolutionary Party] candidate].

From the perspective of Aristotle (384-322 B.C.), politics ought to be a primarily ethical activity that seeks to use the power of the State to foster a community of citizens of the highest moral caliber. After classical Greece and Rome vanished, a quite disillusioned Saint Augustine (354-430) presented a radically different view. To this Church Father politics (the authority of some men over others) was and always would be an inferior activity whose existence was explained and justified only as a result of original sin. To understand the spirit that motivates the political actions of those who wield power in Mexico (in the exercise of which ethics is very conspicuously absent and the result of which might be anything except spurring Mexicans on to high moral caliber), Saint Augustine is much more useful than Aristotle...unfortunately.

By taking a look at our history or simply by reading the press, we can see that politics is to a great extent a depressing, sordid, and even denigrating activity. We need not look very far to illustrate this assertion. We need only observe closely the political activity of the season: tapadismo, that is to say, the procedure by which the president appoints a successor from among a very small number of close collaborators.

In this far from edifying spectacle of tapadismo the so-called citizens, whether they are members of the State party or not, are mere onlookers at a process over which we do not have the slightest control, even though to a great extent it determines our future as a political community. And what we as spectators can see is basically this: all of the people seeking "the grand prize" cannot admit that they are seeking the presidency on their own, and much less can they publicly present their agenda, although they all have one. This situation is as disgraceful as it is absurd; it is typical of a sick political system. To the individual who ultimately wins the presidential nomination of the State party, the "high honor" that he has achieved does not cancel out the equally high psychological price that he has had to pay to obtain it, because the public has seen that in order to reach the pinnacle of the political pyramid, he has had to run the degrading gauntlet that for some time now each president has arranged for his successor and that has become an irreplaceable element in his initiation ritual.

There are never really more than two or three "destapables," and achieving the big goal depends not on gaining the support of the major interest groups or of their fellow party members, much less of the common citizens; it depends exclusively on gaining the support of the president. Therefore, no "destapable" can afford to act in accordance with his own real convictions and to make a speech of his own. The "destapables," for as long as they remain such, have to be true, albeit pale, reflections of the presidential image. Part of their performance is aimed at the public, but that public does not really count, because the power that they seek is in the hands not of the citizens but solely of the "country's number one PRI member." Therefore, the actions and discourse of each of the "destapables," though ostensibly directed at society, are designed exclusively for the president, to reaffirm their subordination, to indulge him, to feed his ego, to gain his approval, and to avoid punishment from him. This is the attitude of "politicians of some consequence," although it strongly recalls the attitude of a son towards a strict father, a student towards a stern teacher, an inferior towards an all-powerful superior.

Ever since tapadismo was institutionalized, all presidents, before taking office, have had to swallow the bitter pill, have had to undergo the denigrating experience of being compelled to be not themselves but instead submissive, anguished figures who attempt to divine the thoughts of the "big elector" and to indulge him. What is the effect of this disagreeable experience on their subsequent conduct? I am no expert in psychology, but I suspect that there must be some, and not necessarily positive. The suppression of one's personality as a way of reaching the top must be reflected both in the way in which a politician treats his direct subordinates and in his relations with the rest of society. Someone who does not respect his own dignity is hardly going to respect that of others, especially if these others lack power. In Mexico presidents behave vis-a-vis society as if it consisted of subjects, not citizens. The way in which they gained the presidency may explain this attitude.

The "destapable" who is unveiled will presumably regain his self-esteem (to the extent that he can regain it) little by little. The recovery process begins during the election campaign, but it is only when the outgoing president (the paternal figure to whom everything is owed but towards whom there are many bitter feelings) presents the sash that the new chief executive can really afford to introduce himself to society as he really is, not as a mere reflection of the man who handed over power to him. It is in this sense that the politics that are practiced in Mexico within the power circles can be seen as the politics of humiliation.

The "destapables" are the most prominent people humiliated by the system, but of course they are not the only ones. To a greater or lesser extent all politicians who depend on the great and omnipresent power of the president are too. Let us look, for example, at the case of the legislators of the ruling party. The so-called representatives of the citizenry, whose dignity and power are, in principle, not inferior to those of the president, are treated by him as subordinates who are actually...of little consequence. For example, according to the leaks about the breakfast that took place in Los Pinos on the 16th (PROCESO, 23 August) and at which the bulk of the 400 guests were PRI lawmakers, the president took the liberty of cracking a joke about the Legislature being subordinate to the Executive Branch. Indeed, it has come out that President Salinas remarked to deputies and senators to their face that the U.S. president, William Clinton, who has sweated blood to convince Congress to pass his bills, would be delighted to have a

Legislature as docile as Mexico's. And that was not all. The president told the senators that they had to win the debates with the opposition by force of numbers, not arguments (the opposition has just three representatives in the misnamed upper house, but one of them, Porfirio Munoz Ledo, is enough to do battle with more than 50 PRI members).

The president is undoubtedly right in assuming that the Mexican Congress is the antithesis of the U.S. Congress. To cite just one recent example, the lawmakers of the State party were ordered one day to pass, immediately and without major discussion, a Tenancy Law drafted by the Finance Secretariat; the next day, given the reaction of the affected groups, the Executive Branch, without consulting the lawmakers, announced on its own that the main item in the law that the Congress had recently passed was going to be held in abeyance. Not a single member of the ruling-party bloc cracked a joke about this disrespect for the dignity of their office. They all swallowed their shame and went on as if nothing had happened, pretending to be part of a sovereign branch of government.

And what can be said about our governors? Who does not remember, for example, the way that Mario Ramon Beteta was "invited" at the outset of the current six-year term to exchange the post of constitutional governor of the State of Mexico for one of the obscure presidential advisory offices, dead ends for politicians who have fallen from grace. The cases of the purportedly elected governors of Guanajuato and San Luis Potosi, Messrs. Ramon Aguirre and Fausto Zapata respectively, are more flagrant examples of the same phenomenon. On instructions from the president both had to resign an office that they had supposedly won at the ballot box, even before they actually assumed it.

The activists in the broad State party, most of whom are the congressmen themselves, have a lengthy track record full of such disgraceful episodes. In fact, the party itself began with a humiliation that is one for the books. In March 1929 most of the delegates to the gathering that was going to found the National Revolutionary Party (PNR) had come out publicly in favor of the candidacy of Aaron Saenz, but on "instructions from above" (from Calles) they had to go back on their word and choose none other than an unknown, Pascual Ortiz Rubio. The most recent humiliations of members of the party happened a short while ago. One was when the previous leader of PRI, Genaro Borrego, after receiving the support of party activists in Aguascalientes, had to inform them that he was resigning his post and handing it over to Fernando Ortiz Arana so that he could accept the president's invitation to become director of Social Security. The other example is even more recent. It happened when the PRI lawmakers learned of the political reform that they had supposedly drafted just when its provisions were being made public. After some weak protests they all endorsed as their own a decision that had been imposed on them without consultation.

Stepping one rung down the ladder, we have the recent meeting of PRI mayors in Veracruz. The heads of most of the "free municipalities" controlled by PRI had been brought together in that state not to address the many urgent problems of city governments but actually to receive presidential instructions as to how they ought to behave during the upcoming presidential campaign. As Mauricio Merino duly noted in a commentary (LA JORNADA, 19 August), the document that emerged from the meeting (the Declaration of Veracruz) barely hints at municipal problems. The PRI mayors had simply been gathered together as what they really are: a group of officials without funding, who are dependent on the state and federal treasuries, and who can be mobilized to further not the interests of the towns that they claim to represent and govern but the interests of the center. This is w! y the Veracruz gathering closed with a declaration that among other things includes support for "economic modernization," a commitment to the "electoral platform" for 1994, and recognition of "the tasks and functions that Mexico's army and navy perform." What about municipal problems? It would seem that as far as the Executive Branch is concerned, the only "free municipality" is the avenue that bears that name in Spanish in Mexico City.

To conclude, politics can be an exciting, ethical activity compatible with the preservation of the dignity of all who are involved in it. Yet most often this is not the case, as its form and substance are rather petty, pedestrian, and vulgar. Now then, this is not exclusive to Mexico; it exists everywhere to a greater or lesser degree. What is depressing is that in our case these negative characteristics of politics are more pronounced.

### * Enrique Krauze Warns of Political Instability

*94CA0006A Monterrey EL NORTE in Spanish*
*10 Sep 93 p 1A*

[Article by Miguel Angel Juarez]

[Text] Mexico City, 9 Sep—The political instability that Mexico has experienced in several states since 1986 could spread throughout the nation in 1994 unless the PRI and PRD [Party of the Democratic Revolution] agree on true political and electoral reform, historian Enrique Krauze warned today.

"We are living the chronicle of instability foretold, and if the twin brothers PRI/PRD do not agree on how to settle their differences, by 1994 we are going to be in a real political predicament," Krauze stated on the last day of the Third "Young Mexico" Gathering, organized by Iberoamericana University.

Krauze stated that the cycle of political instability in the country began in 1986 in Chihuahua, inasmuch as there was a golden opportunity there, which PRI did not seize, to acknowledge the victory of the National Action Party (PAN).

"After 1986 came 1988, and after 1988 came all of the very touchy incidents in the states of Mexico, Guanajuato, San Luis Potosi, Michoacan; this is very worrisome because now it will be nationwide," he said.

Krauze said it is a historical privilege for everyone to live through the upcoming 1994 elections and that although PRI and the PRD are exchanging greetings and embraces, as reported in the press, he sees no chance of an agreement between them.

"The PRD's democratic overtures do not move me, and PRI is not worth talking about. It was born antidemocratic and remains faithful to its daily image; it is antidemocratic even today," he said.

He indicated that the only way to avoid instability is multifaceted monitoring by civil society to make sure that the elections are clean, no matter who wins.

"If the majority errs in 1994, then let the majority pay for its mistake in order to learn what democracy is about. There is no other way. The other kinds of legitimacy are over and done with; the only valid legitimacy is that of the vote," he added.

"One does not need to be Nostradamus to predict that PRI and the PRD will be on a total-war footing in 1994. The ideological battle between the two is unresolvable, and it is not unlikely that it will lead to a wave of instability and violence," Krauze went on to say.

He stated that even if we assume that the president who takes office in December 1994 does so under conditions of complete legitimacy, the work of democracy will not end there. On the contrary, it will be just starting.

## Costa Rica

### Government Condemns Unilateral Actions Against Haiti

*PA1810233893 Paris AFP in Spanish 2240 GMT 18 Oct 93*

[Text] San Jose, 18 Oct (AFP)—Costa Rica today condemned the unilateral actions of the United States and other countries against the Haitian military regime—because they constitute a violation of international law—and confirmed its support for the UN decision to restore a naval blockade against that nation.

Costa Rican Foreign Minister Bernd Niehaus gave assurances that his country supports the United Nations' efforts in gaining withdrawal of Haitian Army chief General Raoul Cedras and reinstatement of President Jean-Bertrand Aristide, who was deposed on 30 September 1991, because these actions are the result of an international decision.

"It is important for nations to act in accordance with the principle of respect for international law, and that is why Costa Rica condemns any action against Haiti that is not supported by the United Nations," Niehaus said.

Six U.S. warships have been stationed off the Haitian coasts from 16 October to implement the oil and military embargo decreed by the United Nations, without waiting for the formal UN decision regarding the sanctions.

It was not until 16 October that the UN Security Council authorized reestablishment of sanctions against Haiti, in view of the Haitian Army's failure to fulfill the agreement whereby democracy would be restored in that country.

France and Canada today joined the United States in sending frigates to the Haitian coasts to participate in the naval blockade authorized by the United Nations.

## Guatemala

### Soldiers Deployed to Border With Belize

*PA1910005393 Mexico City NOTIMEX in Spanish 2315 GMT 18 Oct 93*

[Text] Guatemala City, 18 Oct (NOTIMEX)—A military source said today that Guatemalan soldiers were deployed today to the border with Belize to protect national territory which was reportedly violated this weekend by Belizean soldiers. Major Edith Vargas, spokeswoman for the Guatemalan Armed Forces, said that the Defense Ministry is investigating charges that a group of Belizean soldiers reportedly crossed into Peten Department, in northern Guatemala, on 16 October. Residents of Melchor de Mencos Municipality, 610 km north of Guatemala City, said that the Belizean soldiers had two Caterpillar tractors that they used to destroy corn and rice crops.

Eulalio del Cid and Miguel Angel Cabrera, representing the affected residents, have asked Guatemalan President Ramiro De Leon Carpio to order the soldiers to protect Guatemala's sovereignty along the border with Belize. Likewise, they have asked the government to protest to Belizean Prime Minister Manuel Esquivel for the incursion and demand a payment of $50,000 for damage caused to their crops. Maj. Vargas said that troops from Military Zone No. 23 were ordered to investigate this matter.

"The probabilities are high that Belizean troops did violate Guatemalan sovereignty," Vargas said during a news conference held at the headquarters of the Information and Press Department of the Army (DIDE).

It was unofficially reported that the Foreign Ministry is waiting for the Army's report to issue a diplomatic note against the Belizean Government.

There are unconfirmed reports that the Belizean prime minister, who was sworn in on 1 July, will attend the 14th Central American presidents' summit and at that time he and the Guatemalan president will discuss border issues. Residents of Peten Department are constantly complaining about Belizean soldiers and loggers crossing the border. The Guatemalan Government has refused, however, to issue a protest against that country.

For the past 150 years Guatemala and Belize have been fighting over territorial rights despite the fact that in 1991 Guatemala recognized Belize as an independent state.

### Foreign Minister Supports Reconciliation Policy

*PA1810181493 Madrid EFE in Spanish 1752 GMT 12 Oct 93*

[Report by Hernan Martin]

[Text] Washington, 12 Oct (EFE)—Guatemalan Foreign Minister Arturo Fajardo Maldonado today in Washington said he is in favor of a policy of reconciliation and not of persecution for those responsible for past human rights violations in the country.

In statements to EFE, following his speech at the "Inter-American Dialogue,"—a forum in which Latin American topics are studied—Fajardo said: "In a process of national reconciliation, revenge and vindictiveness should be avoided. Otherwise, it will be impossible to establish a basis for such a reconciliation."

In this way, the Guatemalan foreign minister answered a question on whether his government would implement a forgive-and-forget policy or whether it would carry out investigations designed to punish people for past human rights violations.

"We must clearly understand that this is a process that must ultimately end domestic confrontation, and, basically, we will attempt to establish a basis for a definitive national reconciliation," Foreign Minister Fajardo Maldonado said.

On 4 October the Guatemalan Government presented a National Peace Plan and an Official Declaration on Human Rights which proposes amnesty for Guatemalan guerrillas in exchange for them laying down their weapons and rejoining civilian life.

Regarding this, Fajardo said at the "Inter-American Dialogue" that his government "will act firmly against human rights violations going unpunished despite the economic and social standing of the violators." Fajardo added, "All necessary measures will be adopted to protect and support those people and entities that, according to the law, will work to ensure the improvement of and respect for human rights." The foreign minister also asked the UN, OAS, and the international community to help in this task.

Regarding the negative reaction some sectors of the Guatemalan population have had toward the Peace Plan, the foreign minister told EFE that there "is no kind" of risk of a coup d'etat or the obstruction of the democratic process.

Fajardo said: "Part of the democratic process enables all sectors to speak out, and I think this is exactly what the government is seeking—to listen to views from the different groups." Fajardo stressed the "different role" his country's Army is playing since former President Jorge Serrano Elias' "self-inflicted" coup of 25 May. "If it had not been for more active participation by the Army, which acted with a different mentality and supported the democratic system, it would not have been possible" to continue the rule of law, the foreign minister noted.

On this matter, Fajardo indicated that "several ranking officers with ties to the previous government have been discharged, Army files have been opened to the public, and major changes have been made in the General Staff," following recommendations by UN experts. The Guatemalan official, who will meet on Wednesday, 13 October, with Alexander Watson, assistant secretary of state for inter-American affairs, also commented on the need for the international community to support Guatemala's reconciliation process in both political and financial terms.

Guatemalan Isaac Cohen, Washington director of the Economic Commission for Latin America and the Caribbean, stated during this forum that the De Leon government is trying to resolve the problem through the Social Investment Fund, with which the World Bank is cooperating, and a Latin American unity center to combat poverty that requires international assistance. Cohen added that international commercial opening and the possibility of Central America joining the North American Free Trade Agreement among the United States, Mexico, and Canada would be a major contribution toward this goal.

## Honduras

### * Economists Oppose President's Economic Policy

*93CA0214A San Pedro Sula LA PRENSA in Spanish 26 Aug 93 p 8*

[Text] Tegucigalpa—The economic model imposed by the current government has only brought negative results to the country, causing an unstable foreign exchange rate, high rates of inflation, a scarcity of basic grains, a chronic deficit in the balance of payments, increased unemployment, stagnant production and a deterioration in the standard of living of the people.

This is set forth in a document reviewing the national economy's performance during 1990-93, which was made public yesterday, 25 August, by the College of Honduran Economists (CHE).

The economic model has not even allowed the government to reduce the budget deficit to 3.5 percent, as required by the international financial institutions and which, according to the document, is over six percent.

In addition, 80 percent of the population lives in conditions of misery and 40 percent of Hondurans are unemployed.

However, the CHE argues the urgent need to continue with the neoliberal economic model imposed by President Callejas in 1990, provided that the model is revised to place greater emphasis on the search for solutions to the increasing poverty and unemployment in the country.

The document states that the main characteristic of the present economic policy has been "the social sacrifice to which the large majority of the Honduran people have been subjected," as the policy only benefits foreign export traders, financial groups, and foreign interests.

The College of Economists points out that the growth rates for 1990 and 1991 barely reached 0.1 percent and 2.2 percent, respectively, compared with 4.3 percent in 1989.

The per capita gross domestic product (GDP) in 1992 was 1,092 lempiras, lower than the 1989 figure of 1,121 lempiras, yielding a negative growth rate of 5.2 percent and "clearly showing the deterioration in the standard of living of the population."

Meanwhile, the Gross Formation of Fixed Capital of the Public Sector grew at a rate of 25.1 percent, while the rest of the components, with the exception of exports, rose slightly by 10 percent.

The economists are worried because the rapid growth in public investment has been financed more than 80

percent by foreign borrowing. In that connection they criticize the lack of a rational investment program for the benefit of the majority of the population instead of the privileged groups at the expense of greater debt for the country.

The consumer spending portion of GDP, which in 1991 was 75.5 percent, declined to 73.5 percent in 1992, which means greater concentration of the country's social wealth since the implementation of the economic program.

The CHE points out that the sectors showing greatest growth were construction, 30 percent; mines and quarries, 25 percent; and financial institutions, insurance, real estate, and general services to businesses, 7.1 percent.

However, agriculture, forestry, fishing, and hunting, which represent 25 percent of GDP, fell sharply, from 6.3 to 2.9 percent between 1991 and 1992.

**Balance of Payments**

According to the College of Economists, the trend of the balance of payments has deteriorated in the last three years, especially in the foreign trade sector, to the point that the deficit in the current account grew by more than $200 million between 1989 and 1992, to reach $466.9 million.

The negative growth in exports is one of the principal causes of the deficit in the trade balance, since it went from 8.3 percent in 1989 to 2.1 percent between 1990 and 1992.

This was due in part to a drop of 14.7 percent in the price of bananas, which represents 27.5 percent of exports, and a 25.8 percent decline in the price of coffee, which represents 25.8 percent of exports.

Even though nontraditional exports grew by 14.6 percent, the government did not take advantage of the opportunity to compensate for the negative trends, the CHE analysis claims.

On the other hand, imports grew by 8.7 percent during the 1991-92 period in terms of their value in U.S. dollars, which means a 6.1 percent differential taking into account the growth in exports.

The economists claim that the government has not fulfilled its goal of encouraging the inflow of capital, despite a slight four percent growth of foreign capital in the country.

**Public Finances**

The central government's ordinary revenues grew by 12.9 percent in 1992, showing a slow down from the growth rates of 1990 and 1991, which were 34 and 41 percent, respectively.

The CHE points out that the main factor in the growth of ordinary revenues has been the effect of inflation on tax revenues.

To 1992 ordinary revenue, the CHE adds an inflow of $114.8 million, proceeds of several privatizations, raising the central government's total revenues to 3.401 billion lempiras.

**Expenditures**

The government's total expenditures in 1992 rose by 20.6 percent (5.704 billion lempiras) compared with 1991, 73.7 percent of which went to fund loans, especially to autonomous institutions such as ENEE [National Enterprise for Electric Power] and Hondutel [Honduran Telecommunications Enterprise].

At the same time, direct investment grew at a rate of 50.8 percent, the cost of road maintenance being the most important item.

Some 30.8 percent of financing of expenditures came from foreign sources (85.5 percent from loans and 14.5 percent from grants). The rest was provided from domestic sources.

The CHE's analysis shows that the government's gross deficit came to 1.985 billion lempiras, an increase of 17.8 percent compared to 1991, while the net deficit for the same period increased by 51 percent.

**Inflation**

The economists point out that, during the period 1991-92, inflation increased enormously, reaching 79.7 percent, with an annual increase of 22 percent, while inflation was only 7.4 percent during the 1980's.

Food prices went up 100 percent during that same period. Meanwhile, the purchasing power of the lempira decreased by 51.5 percent.

The document points out that, in general, the deterioration in the standard of living, as measured by the Consumer Price Index, has been 79.7 percent, which means that if a worker earns 500 lempiras a month, his real purchasing power for goods and services in the 1992 market was 130 lempiras, buying at 1990 prices.

CHE research reveals that the daily cost of a "minimum shopping basket" for a family of six went from 14.60 in 1989 to 20 lempiras in July 1983.

**Unemployment**

Contrary to President Callejas' and the World Bank's vaunted 4.2 percent unemployment rate, the College of Economists claims that the rate is over 40 percent, including visible and hidden underemployment.

Leovigildo Rivera, president of the CHE, explained that the government's statistics only measure visible unemployment, which was 4.5 percent until March 1992.

The situation is even more alarming in rural areas, where hidden underemployment was reported to be 34 percent on that date.

The economists contend that the employment situation in Honduras should not be measured only by the rate of visible unemployment, as the most effective indicator is the underutilization of the work force.

There were 750,000 unemployed Hondurans in 1989, a figure which grew to 800,000 by the end of 1992.

**Levels of Poverty**

According to figures released by the Secretariat of Planning, Coordination, and Budget (Secplan), earnings in 59 percent of Honduran households are not sufficient even to buy food, 13 percent earn enough only to feed themselves, 73.2 percent are under the poverty line, and only 17.6 percent are classified as not poor.

The percentage of nonpoor households decreased from 40 to 27 percent in the last three years. In Tegucigalpa, households with insufficient income to feed themselves increased from 27 to 41 percent, while in other cities they increased from 38 to 56 percent.

The foregoing figures reflect the fact that 50,000 Honduran households join the ranks of the poor every six months.

**What Must Be Done**

The CHE document argues that the most important thing is to reorient the Program of Economic Structural Adjustment in order to satisfy the needs for production, employment, and income distribution, within a technological and financial framework that guarantees the protection and conservation of the environment and natural resources.

For this purpose, the government should convene a Patriotic National Agreement that would include all of the social sectors of the country.

In the field of monetary policy, the economists recommend a reduction in bank money reserves to 37 percent, to allow the release of 260 million lempiras, funds that could be invested in industry and agriculture.

They also propose a reduction in the bank discount rate to 15 percent for the production of basic grains, and that there be a gradual reduction in the legal bank reserve to levels under 37 percent.

As for currency exchange rates, the CHE states that changes should be brought about through a decrease in the import of nonessential goods by means of a selective sales tax, especially on sumptuary articles.

On the other hand, they believe that the policy of foreign indebtedness should be dedicated to projects of high national priority, tied to productive areas such as small and medium-sized firms, in order to create permanent jobs.

Also, ordinary expenditures in the public sector should be reallocated in order to achieve a reduction in nonproductive areas or areas of minor social impact.

In addition they recommend a realistic policy of administration and control over direct taxes.

The economists opposed the privatization of enterprises like ENEE, SANAA [National Waterworks and Sewer System Service], and Hondutel, because it would mean a reduction in public services for the Honduran population.

"What needs to be done is to democratize the economy, form a single concentration in order to create an authentic model," explained the president of the College of Economists.

## * Central Bank Reports 'Dynamic' First Quarter

*93CA0214B San Pedro Sula TIEMPO in Spanish 21 Aug 93 p 2*

[Text] The Honduran economy's performance during the first quarter of 1993 was "very dynamic," according to a report by the Honduran Central Bank.

The report points out that the level of real productivity during the first quarter reached a rate of growth of 4.9 percent, and that this increase in the rate of production of goods and services was spurred by the growth of some productive sectors, particularly commerce, which had a 12.6 percent increase; transportation, warehousing, and communications, 9.5 percent; and electricity and water, 8.1 percent.

An increase of seven percent was noted in consumer prices, which was 7.5 percent lower than in 1992.

As for the Honduran economy's international transactions during the first quarter of 1993, the report finds an unfavorable balance of trade generating losses in foreign exchange reserves of 47.3 million lempiras, less than earnings in 1992, this as a result of a 12.2 percent increase in imports of goods and services.

The trade balance of goods and services had a deficit of 127.1 lempiras, 17.5 million lempiras more than in the corresponding period of 1992.

"The government's central administration registered savings in its current account in the amount of 99.4 million lempiras, substantially more than savings during the same period of 1992. This is a result of a larger increase of current earnings of 6.6 percent and a decrease of current expenses of 5.5 percent."

"The increase in the central government's earnings is due to an increase of 1.5 percent in direct taxes and of 8.6 percent in indirect taxes," the report points out.

The country registered a 4.9 percent increase in output, which is 3.5 percent less than for the same period of 1992.

During the first quarter, average inflation grew by seven percent, lower than the 14.5 percent average inflation rate registered during the same period of 1992. Similarly, marginal inflation was 7.3 percent, considerably lower than the 12.8 percent registered during the same period of 1992.

Among the items that have undergone a significant decrease are alcoholic beverages and tobacco products which, after a 30.7 percent increase in 1992, decreased by 7.4 percent in the first quarter of 1993, as a result of a smaller increase in the price of cigarettes and liquor; education, reading materials, and entertainment decreased by 12.4 percent, going from 21.7 percent to 9.3 percent in the same period.

Another item worth mentioning is personal care, which underwent a drastic decline, from 9.8 percent in 1992 to 0.7 percent during the first quarter of 1993.

With regard to the monetary and credit situation, the report points out that net international reserves in March 1993 showed a loss of $47.3 million.

Liquidity in the private sector increased to 6.7168 billion lempiras, or four percent, which was 1.3 percent greater than the increase that occurred during the same period of 1992.

### * Central Bank Reports on Deficit Reduction

*93CA0214C San Pedro Sula EL TIEMPO (MARTES FINANCIERO Supplement) in Spanish 24 Aug 93 p 20*

[Text] The budget deficit decreased by 226.6 million lempiras during the period March 1992-March 1993, moving from 244 million lempiras during the previous year to 17.4 million lempiras during 1993, according to a report by the Central Bank on the performance of the Honduran economy.

According to the report, the total deficit decreased due to reductions in capital expenditures and in net concessions of loans of 141.2 million lempiras.

In addition, savings on the current account showed a favorable trend, registering a total of 99.4 million lempiras, greater by 84.3 million lempiras to that of 1992, which was 15.1 million lempiras.

#### Income

The central government's ordinary income showed dynamic performance during March 1993, 6.6-percent greater than the first quarter of 1992. This reflects an increase of 46.5 million lempiras during that period.

According to official statistics, the increase in ordinary income took place primarily in tax revenues, whose total grew by 58.5 million lempiras, reflecting a growth of 9.2 percent for the period under review.

The report says that the slight increase was due, among other factors, to lower revenues from income tax, to the opening of free trade with Central America, to the decline in prices of exports on the world market, which affects revenue levels from foreign trade.

But the most important reason, according to the report, was the suspension of the entry payment for coffee exports (when the price was less than $70), as provided by decree No. 126-92.

On the other hand, 536.7 million lempiras in tax revenues were collected through indirect taxes, that is, on production, use, sales, import, and export fees. This reflects a 77-percent share of the total revenues.

Direct taxes on income and property accounted for 23 percent of total revenues, or 160.2 million lempiras, in March 1993.

#### Expenditures

Expenditures in general administration in the first quarter of 1993 rose to 1.0978 billion lempiras, derived from 647.3 million lempiras in ordinary expenditures, 165.3 million in capital expenditures, 31 million in loans, and 254.2 million lempiras to finance the public debt, according to the report.

With regard to ordinary expenses, the Central Bank's statistics show a decrease of 5.5 percent, dropping from 685.1 million lempiras in March 1992, to 647.3 million in March 1993, for a reduction of 37.8 million lempiras.

The report explains that the decline of 5.5 percent in ordinary expenses was due to a decrease of 6.4 percent in consumption expenses and an increase of 1.3 percent in transfers.

The report also points out that the decrease in ordinary expenditures was substantially less than the 33.5-percent increase in the first quarter of 1992.

This decrease was primarily due to a reduction of 102.6 million lempiras in interest payments, which declined by 30.1 percent for interest on the domestic debt and 60.6 percent in interest on the foreign debt.

#### Capital Expenditures

Capital expenditures in March 1993 decreased by 42.7 percent, according to the report, considerably less than the 448.5 percent increase registered during the same period of 1992. This was because of the investment in maintenance and highway repair that was carried out by the government, primarily in 1992.

On the other hand, direct as well as indirect investment grew by 50 percent, according to the report.

#### Financing the Deficit

The central government's deficit, according to the report, was financed with 88 percent from foreign sources, 11.2 percent from domestic sources, and 0.8 percent by payment from the foreign debt, just the opposite from the situation in 1992, when the deficit was financed in its totality by funds from abroad.

## * Population Growth Rate Slows, Birth Rate Drops

*93CA0214D San Pedro Sula LA PRENSA in Spanish 30 Aug 93 p 8*

[Text] Tegucigalpa—Meager and erratic economic growth, poor earnings, and generalized underemployment, together with a profound social deficit, place the Honduran population in a situation of "severe hardship," according to a report that the country will present during the course of the International Conference on Population and Development, to take place in Cairo in 1994.

According to the report, illiteracy is 32 percent at the national level and in rural areas is 42.2 percent, which shows an educational system that is divorced from the goal of the welfare of individuals and their families.

The report adds that average school attendance of the Honduran population is barely two years, and that over 60 percent of the work force has less than three years of school attendance.

As for public health, 36 percent of the population does not have access to health services, and it has been proven that the infant death rate among children of illiterate mothers is three times higher than among those whose mothers received seven or more years of schooling.

In Honduras, over 60 percent of rural households lack indoor toilets; 88 percent do not have electricity; and almost 50 percent are not connected to a water distribution system.

On the other hand, the index of crowding has reached 80 percent, while "investment in housing has been limited," the report says.

### Structure of the Honduran Population

The study, written by the Secretariat for Coordination, Planning, and Budget (Secplan), points out that the Honduran population is predominantly young; 44.2 percent are under 15 years of age, 52 percent are between 15 and 65 years of age, and 3.5 percent are over 65.

This shows that the population growth rate is slowing down. For example, between 1950 and 1955, the birth rate was 51.38 per thousand, and during the five years from 1990-95, it will be 37.06 per thousand.

This is true even though 47.7 percent of Honduran women become sexually active between the ages of 15 and 19; 8.8 percent before reaching age 15 and only 20.2 percent wait until after age 20.

The latest epidemiological survey found that only 46.7 percent of women of child-bearing age use birth control devices, and 77.1 percent of those who do not use them, do so because they are pregnant, want to become pregnant, or for reasons of sexual activity.

### Migration

According to the last three population censuses, 15 percent of Hondurans were counted in a department different from that of their birth in 1961; in 1974 the percentage rose to 20 percent; and the same figure was registered in 1988.

It has been established that 33.2 percent of the population of Tegucigalpa and 39.6 percent of San Pedro Sula's was born in other parts of the country.

With regard to international migration, foreigners living in Honduras do not exceed five percent of the total population, which means between 30,000 and 50,000 persons. Of these, 75 percent come from Central America.

However, during the 1980's, between 50,000 and 125,000 Hondurans left the country, primarily to go to the United States.

### Projections

Meanwhile, a report from the Directorate General of Census and Statistics predicts that the Honduran population will have grown by a million persons by the year 2000, which means that the country will have 6 million people by that time.

The rates of growth will be highest in the department of Francisco Morazan, especially in Tegucigalpa, Cortes, and Yoro.

The statistics indicate, moreover, that from the 1974 census to the latest one in 1988, the population doubled from 2 to 4 million.

The Directorate of Census and Statistics, on the basis of an annual growth of 3.3 percent, calculates that currently there are 5,049,958 "catrachos" [nickname for Hondurans] in the country.

## * 80 Percent of Population Drinks Untreated Water

*93CA0214E San Pedro Sula LA PRENSA in Spanish 1 Aug 93 p 25A*

[Text] Tegucigalpa—Luis Munguia Guerrero, director of the Center for the Study and Control of Polluting Agents (CESCCO), disclosed yesterday, 31 July, that 80 percent of Hondurans drink water contaminated by fecal waste, light and heavy chemical waste, and highly toxic pesticides.

The physician talked about the contamination of the environment to the students of the School of Nursing, during Environment Day, which was proclaimed by this unit of the National Autonomous University of Honduras.

In his speech, Munguia Guerrero pointed out that, nationally, only the populations of Tegucigalpa and San Pedro Sula drink treated and uncontaminated water.

In Tegucigalpa, this service is performed by the National Waterworks and Sewer Systems Service (SANAA), and in San Pedro Sula by the Municipal Water Supply Division (DIMA), while in the rest of the country, most inhabitants get their water from wells, fountains, and waterways, and they drink it untreated.

Water contamination, besides being caused by outdoor defecation or by cesspools, is also caused by chemical pollution and includes chloride and phosphorus pesticides, as well as heavy metals.

He went on to explain that there is no sewage disposal system anywhere in the country, and that raw sewage from households ends up in the environment or in rivers.

As a result, he stated, "At this point, all the rivers in the country are contaminated to a greater or lesser extent."

Referring to the Grande or Choluteca River, which passes through the city, he said that it is a victim of the dumping of biological and chemical residues, which should be corrected "if we want a longer life expectancy."

With regard to pollution caused by industrial wastes, the director of CESCCO stated that there is not a sewage disposal system in the entire country to process the wastes generated by the chemical, food, agriculture, and livestock industries, and because of this they are released directly into the environment or incinerated in the open air.

According to a study conducted on 36 industrial firms located in the center of the country, only one possesses a system for the treatment of liquid and solid wastes. The others dump their wastes in locations that result in contamination.

Hondurans are condemned to eating contaminated foods, which they already do, as long as there is no regulation of pest control and proper use of chloride and phosphorus-based pesticides.

With regard to pesticides, Munguia Guerrero explained that organic chloride pesticides are characterized by a chemical composition that is difficult to degrade once it has been applied for pest control. Its residues take from 20 to 40 years to disappear, and when they are on the ground, the rains wash them into the rivers.

He added that Lindano and DDT were among the organic chloride pesticides used in the country several decades ago. These are pesticides that can cause violent and chronic poisoning and cancer. After numerous protests, the government forbade their use.

With regard to organic phosphorous chemicals, the director said that their molecular structure degrades a week after they are applied to plants, and, therefore, he recommends that farmers not sell any products that have been sprayed within the previous six or eight days.

After Munguia Guerrero concluded his report on the quality of water that the population drinks, he urged the authorities to take measures to guarantee a better quality of life.

### * AGAS: Grain Imports Bankrupt Local Farmers

*93CA0214F San Pedro Sula LA PRENSA in Spanish 25 Aug 93 p 8*

[Text] San Pedro Sula—Rafael Emiliano Verdial, president of the Association of Sula Farmers and Cattlemen (AGAS) said that farmers do not have the financial means to buy the silos owned by the Honduran Agricultural Marketing Institute (IHMA).

"We are not able to buy them because there is no profit in agriculture and, in addition, the government allows rice and corn imports right at harvest time," he stated.

The livestock executive stated that the government's policy has bankrupted the farmers, and that is why they did not even make the state an offer. He continued, "we are not going to make one because siloing the grain would mean that part of the silos would be bought on credit and, moreover, the money to buy the seed would be obtained at high interest rates like those at present."

Emiliano Verdial pointed out that it should be taken into account that those who make excellent deals are the go-betweens and the brokers, as well as the politicians who, because of their good connections, are able to import enormous quantities of rice and corn from anywhere, creating havoc in farming and livestock raising.

He regretted that government officials spend their time "immersed in endless meetings that bring no benefit or gain to the farmers or the country."

He said that he agreed that farmers of the reformed sector should receive loans at 14 percent interest, to grow basic grains. Nevertheless, in his opinion, this is a violation of the Constitution of the Republic, which establishes that there will be no privileged classes.

"We are all equal before the law, but they want to make loans to us at 22 percent interest, which is clearly unconstitutional, even though the government says that it is going to make loans to farmers with funds from trusts," he said.

He stated that if Honduras is to have basic grains and not an international diet with Chinese beans, American rice, and milk from Costa Rica, the government will have to support domestic production or else destroy it, "and the few dollars we have will have to be spent on the most important purchase, food security," he reasoned.

He said that the government has the means to help the farmers. It could, in the first place, establish clear policies on agriculture, because in the past, and even now, the food supply has been allowed to deteriorate because of the importation of products, to the detriment of local processing plants and the growers.

### * Official Policies Cause Agriculture Problems

*93CA0214G San Pedro Sula TIEMPO in Spanish 15 Aug 93 p 7*

[Text] Tegucigalpa—The country's agricultural production has stagnated as a result of the many errors committed by the present government, according to former Minister of Natural Resources Miguel Angel Bonilla.

Engineer Bonilla, who served as minister of natural resources during the government of Roberto Suazo Cordova, maintained that several factors are responsible for the stagnation of agricultural production, but that the principal reasons are lack of credit, high bank interest rates, lack of coordination between government institutions in the agricultural sector, and a substantial reduction in technical assistance.

He stressed that farmers can definitely not work with borrowed money, because interest rates are too high, "there are even few growers of export crops who can work with those interest rates. As a result, farmers are limited to working with their own resources."

Referring to the promise of President Callejas' government, that Honduras would become the granary of Central America, Bonilla said that passage of the Farm Modernization Law was a positive step, "but the problem is that it is not being carried out."

"When we were in the Ministry of Natural Resources, we overcame the deficit in rice production and we exported rice; production of corn and beans was excellent, and we also exported corn at the time. There was no deficit, on the contrary, we had reserves, and during the Azcona government there was also good production of basic grains," he said.

Engineer Bonilla, who is now working independently as a farmer, said that there is a shortage of beans because production has only been maintained, "and has not been increased, keeping in mind the substantial growth in the population, because we have a rather high rate of population increase in our country."

Nevertheless, he believes that weather conditions may have affected the production of beans, "but this year there can be no excuse because the winter has been mild."

Asked his opinion of the 75 million-lempira credit program for agriculture announced by the National Agricultural Development Bank (BANADESA), the former minister for natural resources said, "It is wonderful, and I hope that they put it into effect, because this country needs to produce."

"Production definitely has stagnated, and we need to produce in order to get ahead, especially to produce for export," he emphasized.

### * Peasants Oppose Deforestation With Force

*93CA0214H San Pedro Sula LA PRENSA in Spanish 30 Aug 93 p 3*

[Text] Tegucigalpa—Dozens of peasants, machetes in hand, from the hamlet of El Conejo, Jano, Department of Olancho, have been holding nine trucks and their drivers for almost a week, to keep them from transporting timber to a saw mill, claiming that the forest is their property.

The accusation was made yesterday, 29 August, by the President of the United Ground Transportation Association (SUNTT), Ondina Sierra de Hodges, who said that the truck drivers were being threatened with death by the peasants. The executive said that three of the nine trucks are loaded with timber, and that they all belong to members of the Guaycama "Francisco Morazan" chapter of the SUNTT, who are under contract to the Lamas sawmill to transport the material.

The action by the peasants, between 50 and 70 in number, began last Tuesday according to Sirra de Hodges, who said that they are led by the mayor and other members of the municipality of Jano, who could be sued by the SUNTT.

Each truck owner is losing 500 lempiras daily, said Sierra de Hodges.

The inhabitants of El Conejo claim that, although the Lamas sawmill has a wood cutting contract with the Honduran Corporation for Forest Development (COHDEFOR), they are the owners of the forest and, therefore, it is they with whom ia contract must be signed.

If that is so, said the president of the SUNTT, then it is up to COHDEFOR to resolve the problem.

Sierra de Hodges asked the authorities to protect the detained truck drivers, because the peasants from El Conejo had threatened to kill them with their machetes if they tried to leave. The members of the Guaycama chapter of the SUNTT have 50 trucks that are used to bring timber from different locations in Olancho to several sawmills, but until now they have only had problems in El Conejo.

### * Forest Reserve Planned for Tawahka Indians

*93CA0214I San Pedro Sula LA PRENSA in Spanish 2 Aug 93 p 3*

[Text] Tegucigalpa—The Tawahkas, a tribe that is about to disappear, will have its own indigenous reserve once the National Congress approves the decree law introduced by the Nationalist deputy for Gracias a Dios, Melquicedec Galindo Ramos.

The specific objectives of the reserve are to provide protection for the ecological biodiversity and integrity of the flora and fauna, and of the river basins of the Patuca Medio River area.

It is also designed to protect the Patuca Medio River's resources for the purpose of attracting investments in ecotourism, scientific research, and sustainable development, among other areas.

In addition, the reserve is an attempt to halt the advance of the deforestation of La Mosquitia and provide an opportunity for the development of systems of sustainable exploitation of the natural resources.

Another purpose in creating the reserve is to guarantee the survival of the last 1,000 Tawahkas, who have lived on these lands for more than five centuries.

"The lands described in this law are declared to be and constitute the Tawahka National Forestry Reserve and under no circumstance can be the object of leasing or transfer of ownership," says the draft legislation.

Article 10 establishes that "the lands located inside the area of the Tawahka indigenous reserve cannot be transferred to other persons who are not Tawahkas."

"The area that constitutes the reserve cannot be the subject of the industrial exploitation of timber, the cutting down of trees without permission, extensive livestock raising, illicit exploitation of fauna, minerals, archaeological objects, and contamination of water," states article 17.

The creation of this reserve will complete a continuous ecological corridor of protected broad-leafed forests, made up of the Platano River Biosphere reserves and the planned Patuca National Park. This will assure genetic diversity from the Caribbean Sea to the Nicaraguan border.

## Nicaragua

### 3-80 Front Leader 'El Chacal' Flees Into Honduras

*PA1810210893 Managua Radio Sandino in Spanish 1100 GMT 18 Oct 93*

[From the "Events" newscast]

[Text] "El Chacal" [Jose Angel Talavera] is reported to have escaped into Honduras and, in this way, has ended a violent espisode in northern Nicaragua, where Army troops had him practically surrounded. The most recent military reports note that on 17 October, "El Chacal" and his troops were in El Rosario, Jalapa Municipality, very close to the Honduran border. The Army did not report any further actions when "El Chacal" and his men mocked Army troops conducting surveillance.

Before "El Chacal" reached El Rosario, Lieutenant Colonel Ricardo Wheelock, the Army spokesman in Managua, said that the soldiers stationed at Quilali had orders not to carry out offensive actions unless attacked. Political observers believe that from El Rosario "El Chacal" might resume talks for his disarmament with government delegates.

### Outlines Demands Before Retreating

*PA1910040893 Managua BARRICADA in Spanish 18 Oct 93 p 5*

[Article by Noel Irias]

[Text] In an interview granted to BARRICADA, Jose Angel Talavera, alias "El Chacal," insisted barely 12 hours before he fell back deep into the mountains that his enemy was "the government's bad policy that is dragging the poor down into the pits."

The chief of the 3-80 Northern Front said he did not feel "represented" by National Opposition Union [UNO] leaders' political positions.

Talavera noted: "The Sandinist National Liberation Front [FSLN] is representative, one must acknowledge that. There are two monsters in Nicaragua: the FSLN and the Nicaraguan Resistance. It is offensive that there are some people who do not want to recognize that. We have not been given the opportunity to participate in the dialogue."

He added: "We want to participate in the nation's political process, but we need a climate of trust where we will not be taken advantage of, nor will we take advantage of the situation. To find true peace, we must participate. They are not seeing reality."

According to Talavera, "the peasants have not been given the opportunity to be represented. In Nicaragua there are cooperatives that carry more weight than some of the political parties. For a peaceful solution, all the sectors represented must be taken into account."

Talavera stated: "The first step is the peoples' reintegration, then a timetable for the demobilization must be established. It must be done simultaneously with the government's fulfillment of our sociopolitical demands. If the government meets 10 percent of our demands, we will demobilize 10 percent of our people."

Talavera said he would remain in contact with FSLN leaders in the area and denied that the lives of Sandinists in the area are threatened. He added that he was "willing to talk with the FSLN to find a solution to the conflict."

Talavera concluded by denying differences with Charro [not further identified] and Northiel [Wilfredo Gutierrez]. "There are no differences; that is a lie. I am going to do honor to those people who have placed their trust in me."

### Calm Returns to Quilali

*PA1810234293 Managua Radio Sandino in Spanish 1100 GMT 18 Oct 93*

[From the "Events" newscast]

[Text] Relative calm is returning to Nicaragua little by little. In Quilali, 300 km north of Managua, productive activity has returned to normal. The Army took control of roads and surrounding hamlets after "El Chacal" [Jose Angel Talavera] and his men fled. Business activity resumed over the past weekend in Quilali. The first vehicles to arrive were the Victoria brewery trucks, followed by produce trucks, then officials of the National Development Bank and of the [name indistinct] organization that finances development programs in the region.

While "El Chacal" and his men controlled Quilali, more than 10 farmers died; 20 peasants, two French diplomats, officials and deputies were kidnapped; telephone and electricity services were vandalized; approximately 10 trucks were burned; and agriculture cooperatives were evicted.

### Group of Retired Military Occupy Managua Cathedral

*PA1810183693 Mexico City NOTIMEX in Spanish 1727 GMT 18 Oct 93*

[Text] Managua, 18 Oct (NOTIMEX)—A church source has reported that a group of retired military today occupied the new Metropolitan Cathedral of Managua, located near the highway to Masaya, demanding social and economic benefits.

Eddy Montenegro, vicar of the Archdiocese of Managua, requested Government Minister Alfredo Mendieta find a solution to the occupation that began on Monday morning. Montenegro reported that he will negotiate with the government minister the list of socioeconomic demands by the cathedral occupiers. The vicar urged "the (political) leadership to seek some way to solve problems and prevent situations from reaching these extremes."

Police have been posted on the grounds of the church, where groups of Catholic demonstrators began to gather to protest the occupation of the cathedral that was consecrated in September. According to preliminary reports, approximately 15 former military—armed with homemade mortars and some of them dressed in olive drab uniforms—are inside the Cathedral where apparently there are also some nuns.

### Further on Cathedral Takeover

*PA1810200093 Managua Radio Nicaragua Network in Spanish 1810 GMT 18 Oct 93*

[Interview with Dr. Eddy Montenegro, the vicar of the Archdiocese of Managua, by unidentified reporter in Managua on 18 October—recorded]

[Text] [Montenegro] [Words indistinct] demanding from the authorities. It is a different situation, as they are negotiating a dialogue.

[Reporter] Has the problem been solved?

[Montenegro] The authorities are investigating, but I do not have any information on the state of the investigations.

[Reporter] Have they committed any sacrilegious acts?

[Montenegro] Well, occupying a church is a sacrilegious act. So far, it has been a peaceful takeover, although this is not correct and this is not the way to solve things. There are mechanisms for dialogue, there are offices where they can undertake negotiations. Naturally, we will hold a mass and pray for a peaceful solution to Nicaragua's problems, finding a solution without resorting to such extremes.

[Reporter] Are you serving as a guarantor?

[Montenegro] I would not say that, and I would rule out such terminology. Rather, we have been trying to clear the Cathedral, but we are going to be present at the negotiations. Perhaps I will attend the negotiations, or maybe any other member of the Verification Commission will attend the conversations. The church is closely watching not only this event, but other groups who have negotiated with the government. We hope that problems could be solved so that we could prevent situations from reaching an extreme such as we have experienced this morning.

[Reporter] Have they threatened anyone?

[Montenegro] They have not threatened anyone at any time.

[Reporter] Has the cardinal been notified?

[Montenegro] Right now we are sending a report to Rome, to The Vatican, where the cardinal is to inform him of the situation taking place here this morning.

[Reporter] [Question indistinct]

[Montenegro] Who can guarantee that in Nicaragua? No one can guarantee that in this country [words indistinct]. However, the church urges all persons who are members of groups facing similar situations not to use these methods. There are other means for gaining the government's attention, for complying with the agreements. We must bear in mind that this is a place of prayer. We worship the blood of Christ in the Cathedral, and these things [words indistinct].

[Reporter] Does the church support the demands....

[Montenegro, interrupting] I really do not know what their demands are. They gave me their demands, but I delivered them to the government minister. It is a long document, and it will be discussed at the negotiation table.

[Reporter] [Question indistinct]

[Montenegro] [Words indistinct] the government minister. The most important issue at this time is that we

want this solved as soon as possible, so that the Cathedral can be opened to people who wish to pray. The minister said he was ready to meet immediately with the members of this group. His only condition was that they clear the Cathedral, and that is what they have done. They have gone to the places they themselves chose.

[Reporter] Are you going to be a guarantor? Are you going to be [words indistinct]

[Montenegro] I would not say a guarantor. We are going to observe the dialogue, and we hope they will negotiate their problem point by point. We must realize they are members of the police, and I believe the police come under the Army. Therefore, they are all of the same, they are all part of the same group. Some of them say they are [words indistinct] of the ministry. I imagine they will reach some sort of agreement during their dialogue.

[Reporter] Who are they meeting with?

[Montenegro] I think they are meeting with Dr. Rivas, who is in charge of the Verification Commission.

### Occupation Ends Peacefully

*PA1910010693 Panama City ACAN in Spanish 2135 GMT 18 Oct 93*

[Text] Managua, 18 Oct (ACAN-EFE)—Today there was a peaceful end to the occupation of this capital's cathedral by 15 former Government Ministry officers who were demanding that President Violeta Chamorro's administration fulfill its part of the bargain in the agreement under which the officers retired from that public security institution.

The four-hour occupation created tension in the capital and concluded only after Cardinal Miguel Obando y Bravo accompanied a delegation of the retired officers to a meeting with Government Minister Alfredo Mendieta.

The rest of the former officers who had occupied the metropolitan cathedral, which was dedicated on 4 September, went to the home office of the Nicaraguan Center for Human Rights to await the results of the talks with the government minister.

Another commission led by Cardinal Obando y Bravo inspected the cathedral and determined that no damage had been done to the building.

While the former officers were occupying the cathedral, dozens of riot policemen surrounded the building to keep Catholics from trying to recover it by force. This cathedral houses one of the images most revered by local believers: "The Blood of Christ."

The agreements between the government and the former officers establishes that they should be paid an unspecified indemnity for retiring from the Government Ministry and should receive some land and construction material.

The former officers said their demands are listed in a 15-point document about which they would not give any further details.

### Medicine Prices To Increase 18 Oct

*PA1810221293 Managua BARRICADA in Spanish 15 Oct 93 pp 1, 12*

[Article by Dolores Rugama]

[Text] After being questioned by BARRICADA, pharmacists have confirmed that the price of medicines will increase as of 18 October. The price hikes—the news of which hit Nicaraguans like a ton of bricks—were approved by the Economy Ministry and are being conveyed to pharmacists by those companies that distribute imported medicines.

Salesmen visited pharmacies and presented new price lists that bore the seal of the Economy Ministry's Consumer Rights Office. These price lists showed that an increase in the prices of imported medicines is authorized as of 18 October. Other pharmacists who were questioned had not yet received the new lists. The owner of a pharmacy, who chose to remain anonymous, told BARRICADA: "I would not be surprised if the distributors were still delivering the new lists on Monday."

BARRICADA called Economy Ministry officials to confirm the news, but the newspaper was told that Enrique Brenes and Mauricio Peralta, the officials in charge of domestic trade, were out of the country. Meanwhile, in the office of Economy Minister Pablo Pereira, we were told that he was attending a "very important" meeting and was unable to see us.

Following the increase in the price of medicines, the famous book that consumers use to check whether a price tag has the same price as the official price will have to be taken out of circulation. When this book was published, MEDE [Economy and Development Ministry] said the prices would be in force until 31 December 1993.

In general terms, the increase in the price of medicines will be from between 5 to 15 percent. Nevertheless, there are other products whose mark-up is greater, and the increase for those products will range between 18 and 42.8 percent.

One pharmacist interviewed said: "The amazing part of this is that this increase was done underhandedly; nobody issued an official notification to the consumers or the pharmacists."

Another pharmacist pointed out: "The government tricked consumers, because in March, following agreements between MEDE and the pharmacists, it was agreed that the increase would be implemented gradually throughout the year and in accordance with the devaluation of the currency, but none of this happened."

**Many Medicines Will Be Unaffordable**

In addition, when the government imposed the 6-percent General Value Tax on the price of medicines in October 1992, it said that this measure was going to be temporary and promised to annul the tax in December 1992, but this has not been done to date.

The pharmacists pointed out that it is "irresponsible" of the government to continue increasing the price of medicines, a basic necessity, at a time when most consumers cannot even afford increases in the price of staples.

Another pharmacist, who yesterday held a calculator comparing old prices with the new ones, said: "Now it will be up to us to tell consumers about this new increase, and we will have to put up with their recrimination because they were not informed beforehand."

The pharmacist added: "This is an exaggeration. Just look how much the price of Talseclin will increase—from 77.52 to 110.75 cordobas. This is a crime. It is a 42.8-percent increase!" This increase will affect women who suffer from vaginal infections.

Female estrogen hormones such as Estrader will increase 11.6 percent, going from 96.35 to 107.53 cordobas. The price of Boltaren, which is used for aches and arthritis pain, will go from 42.70 to 50.24 cordobas. Afrin, a nasal spray, was 20.76 cordobas, and now it will be 22.79. In addition, consumers will now have to pay 51.25 cordobas for Locorten Vioformo.

## * Daniel Ortega on Pinata, Future Plans

*93CA0209B Mexico City ESTE PAIS in Spanish*
*29 Aug 93 pp 19-20, 22-24*

[Interview with Sandinist National Liberation Front Secretary General Daniel Ortega by Rene Delgado; place and date not given; first two paragraphs are ESTE PAIS introduction]

[Excerpts] Almost unrecognizable without his military uniform, wearing a denim outfit, a sports shirt with the sleeves rolled up, and cowboy boots, Daniel Ortega, mountain guerrilla, revolutionary commander, former president of Nicaragua, and now head of the opposition to the government, sits in the hall of the Sandinist Front offices. He has a conviction: "The neoliberal model is the principal cause of the crisis in Latin American democracy."

Taking sips from a sweet extract to soothe his sore throat, Ortega says that the Sandinist revolution of 1979 was a key historic event and that the new Nicaraguan state is developing and improving on the basis of that foundation. He criticizes the role of international organizations and calls for unity among Southern Hemisphere countries to deal with what he calls the dictatorship of the North. Far from living in the past, Ortega considers himself privileged to be able to witness this new phase in the struggle.

[Delgado] What do you think is the current situation of the Sandinist revolution? What is it, what was it, and what can it become?

[Ortega] The Sandinist revolution was a historic event that transformed the economic, social, and political structures of this country. It is a historic event as significant as the liberal revolution that took place at the end of the last century.

Just as the liberal revolution engendered profound transformations, and although efforts were made to co-opt them (even with conservative governments of up to 30 years' duration), the changes that took place could not be reversed. [passage omitted]

[Delgado] Is neoliberalism asphyxiating the nascent democracies?

[Ortega] It is the principal destabilizing element in these political processes, which had managed to open things up in the 1980's. Now we are seeing how quickly they are falling into a crisis, and how the military continues to wield influence in all these societies and is once again taking an increasingly active role.

**No New Political Models**

[Delgado] In view of neoliberalism's inability to present a democratic offering in the political, economic, and social spheres, what is the alternative, if we recognize that the socialist regimes of Eastern Europe failed and there are no new models of social organization?

[Ortega] The alternative has to be developed in accordance with the ground that can be gained in each country. I do not think we can work with an alternative that is dogmatic, just grab it like a stamp and start stamping each country. If anything damaged the socialist proposition in Eastern Europe it was precisely that dogmatic attitude and the mechanical operation of the economic, social, and political program.

The challenge lies in finding ways to gain ground in an effort by the masses, which at one point, after the defeat here, I called "governing from below." This is so because the political and social forces understand that the election of a president or of deputies or mayors is not enough to consolidate truly democratic power. As long as people think that this is enough, while the president, the deputies, or the mayors make decisions without taking into account the opinion of the population, we will see a divorce between confidence and the power that people vest in these elected officials when they elect them. Then, since the elected officials assume that the people transferred all their power to them, they forget that power always lies in the hands of the people and that the people have simply given them a vote of confidence. This explains why governments erode so quickly. They start out governing in the name of the people, but they are not really doing that. The people begin to see the officials they have elected as strangers, because they make a series of decisions on economic or social policy or any other

matter, and the people neither understand nor support such decisions. No one consults them or informs them; the decisions are just made.

A government is strong to the extent that it has good interaction and communication with the people, and that it makes decisions by taking the pulse of public opinion. Thus, people feel that these government decisions are an expression of their political will.

That is what may lend a little stability to any Latin American country, because if at the last minute they conclude that there is no alternative but to apply a neoliberal program, and if they consult with the people and explain it to them, the people will surely voice their objections. But a consensus can be reached in which the neoliberal program is not applied in a rigid or precipitous way, which is what is happening now.

Such is the case in Nicaragua, where the government is from above, and the people resent it. This makes it necessary to take action and seek a government from below, which may result in a clash or a lack of understanding between the rank and file and the government. As a result of this lack of understanding, the government loses its authority and legitimacy, and the outcome may be a catastrophe on election day.

Because there are no formulas or alternatives, what we have to do is fight to open up new territory in every Latin American country. If we peoples of the South have a weakness, it is that we have not managed to integrate ourselves, while the North, in contrast, is very well integrated. The North has a general staff, which is the Group of Seven, and a commander in chief, the United States. They are very disciplined in all their decisions and policies. Despite the quibbles and contradictions, the fact is that they are very cohesive and united, and their policies affect all of us. Imagine how strong the South would be if it were as cohesive and united as the North! That would allow us to create a truly new international order in all respects.

**Do Not Give Up in Fight Against Dictatorship of North**

[Delgado] Is that not utopian? Multilateral organizations seem to be assuming the philosophy of the great nations, and in this regard there is no sign that they are becoming more democratic. To imagine a new international economic order seems utopian.

[Ortega] Indeed, I would say that these proposals are utopian, but we have an obligation to go after those utopias. Throughout the history of mankind, man has always pursued utopia. If he had not, the changes we have seen would not have occurred.

We cannot give up on the idea of creating a new international order, of defeating the dictatorship of the countries of the North. Three-quarters of the world's population must face that dictatorship. We face a legal system that is best expressed in the United Nations' antidemocracy. You have to have nuclear weapons and a lot of capital to be given veto power. The reasons that could explain and even justify the fact that those five countries have veto power in the United Nations no longer exist. They have disappeared because the Soviet Union is not there anymore, it is not on the map anymore.

Today, more than ever, we in the South must fight to change the United Nations. It should be understood that we nations have equal rights, regardless of our size and technological, military, and economic potential.

**Revolutionary Path not Erased by Decree**

[Delgado] Has the revolutionary path been erased?

[Ortega] The revolutionary path has never been erased. It cannot be erased by decree. The only way to erase the revolutionary path is by creating appropriate conditions of justice and liberty, of sustained development, so that violent revolutionary changes do not occur. In the final analysis, the revolution will take place peacefully on the day when we have a peaceful world with justice and equality. Then we will have change and revolution as well, in ways that perhaps have more to do with man's inner being, with his manifestations with society and material development.

The revolution is a constant, be it peaceful or violent. But its violent form cannot be eradicated as long as these levels of oppression and suffocation remain the same.

**No Pinata in Nicaragua**

[Delgado] You mentioned corruption in the case of Brazil, Venezuela, and Colombia. Mexico is no exception. In Nicaragua there was talk of corruption among Sandinists, of the "pinata" [Sandinist government's appropriation of land and property after election defeat] that contributed in part to your defeat. Is this true? Do you have any self-criticism of the Sandinist movement?

[Ortega] With regard to Venezuela, I would like to make it clear that this is a presumption. I believe in Carlos Andres Perez, and I say this because he has stood by the Sandinists all the way, and I think he will come out free and clear.

On the other hand, if there was anything we did not succumb to it was corruption. The best proof of that is that to own a house, the top leaders of the country had to protect ourselves the way any citizen would: under the regular laws that were passed here. In other words, we never thought of making money to build houses for ourselves; that was never in our calculations.

It was unacceptable to the two-faced conservatives, who made their money through thievery, that we gave away land to the peasants, that we gave housing and lots to Nicaraguan families. That, in fact, is what they call the pinata. To be sure, they focused on the leaders. For example, in my case, it was a house that had belonged to a man who lost his home irrespective of his ties to Somoza. He lost it because, as was the practice at that

time, he worked at a bank and loaned himself the bank's money for that house, but he never thought the revolution would triumph. The revolution triumphed, and there was simply a past-due debt to the bank; the bank foreclosed, and I bought the house from the bank.

In other cases, those of the vast majority of Nicaraguans, we gave houses to people who had been renting them for years and had already more than paid for the house with their rent. The houses that had belonged to Somozist guards or Somozists who had fled, and that were abandoned, were occupied by the people.

A law was passed here for the benefit of all those people. They were given lots, land in downtown Managua that was extremely expensive, very costly. We could not carry out urban reform by building houses because the country had no resources. Our reform was to give the people land and some construction materials so that they could raise a roof over their heads by their own efforts. The land was worth a fortune, but we gave it away free. One of the first people who benefited was my father-in-law, who had not been a Somozist, but it was a general law and we had to set an example.

If the Sandinist government can be proud of anything in our 11 years in office, it is our honesty. On the contrary, we called for sacrifice. We had public officials earning the equivalent of $40 or $50 a month, ministers who could be earning thousands of dollars at international organizations or in the private sector. They gave that up to pledge themselves to a project that went beyond that, to help the Nicaraguan people.

I do not doubt, on the other hand, that some officials became corrupt. I do not doubt it, but that was not the norm. There was a mystique, even a relinquishment. We created that, and we continued to practice it in government: We thought that it was a crime to own a house, to make money to build one; we thought it was inappropriate for a revolutionary to own even a family property, let alone a business, a company.

For that reason, we passed general laws that also protected the leaders, because they simply had no property, they had not accumulated any. If they had accumulated money, they would not have had to protect themselves with a law. In fact, they made a contribution. In 11 years, how many houses were not built by the ministers, the Sandinist leaders? How many vacation homes? There was none of that. It was people who had their property confiscated who launched that campaign known as the pinata.

**A Revolutionary, not a Politician**

[Delgado] Summing up the life of Daniel Ortega, we have a man who went from the mountains to the pinnacle of power, and thence to the opposition. How do you see yourself? What is your future? Does Daniel Ortega know how to be in the opposition? Does he want to return to power?

[Ortega] In the first place, I feel privileged as a human being. I feel privileged to be going through such a rich experience. When I fought against the Somoza dictatorship, it never entered my head that I would live to see the fall of Somoza. I was sure that he would fall, but I was also sure that I would not live to savor that triumph.

I think it is really a privilege to be alive today, during a new phase in my struggle as a revolutionary. I say revolutionary because I do not feel like a politician. What I feel is that I face a challenge, with my comrades and with the people, to lend continuity to this process. The revolution must continue to reach out, but with a different emphasis, a different form.

To be sure, there will be elections and I think it is premature to talk about a candidacy now, but by the same token, a candidacy cannot be ruled out. But more important than the 1996 election is the struggle we face now, because that election would not mean much if we came into it stripped of the values and the conquests that the revolution brought to the Nicaraguan people. So how can we defend those values, those conquests, under such complex conditions, taking on new forms of struggle and, if you will, dealing with new ideas that become revolutionary because of the times we are living in?

I will give you an example: Right now we have opted for a state sector in the mixed economy that would inspire and promote small and medium-sized owners and cooperatives, with a private sector revolving around them, stimulated by that state sector. We envision this in agriculture-livestock as well as industry, in services, commerce, and tourism. A mixed economy, really.

The current government decided on privatization in the most neoliberal form, and the only way to stop that measure was to kick out the government. We had the power of the masses, the people, to do it without having to resort to a military coup, but, on the other hand, we had to put this government's program to the test of public opinion. We opted to do that, and we decided that it was all right: privatization, but in favor of the workers. We established a new concept, a new value, starting from the old concept and value. A new proposal for struggle that has mobilized the workers over the years in defense of the land, businesses, etc. In other words, if the government wants businessmen, let us democratize the economy, democratize property ownership, and make businessmen out of the workers.

**In Search of Utopia**

[Delgado] One time a Mexican politician in a high position lost his job, and he was asked, "Are you withdrawing from politics?" He responded: A politician never withdraws, but sometimes politics is withdrawn from him. What is your view of this situation? Have you ever thought of withdrawing from politics?

[Ortega] I have a commitment that goes beyond being in charge of the government. Government is just an instrument of struggle to achieve change. If a person thinks of

government as an end in itself, the day he leaves the government he will naturally feel a great sense of frustration and failure.

Actually, I feel that I am facing a new challenge as a revolutionary, and that is why I do not consider myself a politician. I do not have the mentality of a politician. I cannot even communicate or behave like a politician, and maybe that is because I have taken a slightly extremist or radical position.

The revolutionary goes further than the politician; he faces a constant challenge posed by obstacles that appear every day. We were removed from the government, that is, from an instrument, just as at another time we were defeated by Somoza's National Guard. So I feel that I am in the middle of a vast battlefield on which a battle is being waged for economic and social transformation, for liberation. I am in search of utopia.

As long as a revolutionary keeps going after utopia, he will continue to be a revolutionary. When he stops seeking utopia, he stops being a revolutionary and becomes a politician.

[Delgado] Politically, how would you define yourself with respect to the great currents of thought? I mean, stepping outside of Sandinism a little, how would you define yourself right now?

[Ortega] I have always defined myself as a revolutionary. A revolutionary who has to accede to thought constantly. And not considering thought as something stagnant, like something paralyzed, much less as a dogma.

[Delgado] An ideologue for the old Italian Communist Party said that to be a revolutionary today is to be a radical democrat. Would you define yourself that way?

[Ortega] I do not accept cliches. The worst mistake a revolutionary can make is to place himself in a given current. That conspires against the creativity that a revolutionary must have. It seems to me that in the struggle to which I have been committed my entire life, I have simply defined myself as a revolutionary.

Sandinism, for me, is an expression that is still relevant because imperialism is there, although some do not want to see it or claim that it does not exist; and as long as it is there, we must be anti-imperialists. Capitalism in its most brutal form is there, to such an extent that the pope has decided to question it and criticize it. As long as that capitalism exists, we must fight it.

It seems to me that the revolutionary must have the nerve, imagination, strength, audacity, and creativity to seek change in the environment in which he is struggling, based on the possibilities that arise and the spaces that open up, to defend those open spaces and to find ways of opening others. The revolutionary cannot become frozen, much less locked into currents of thought, because when that happens, he ceases to be a revolutionary.

### * Commentary Praises Ortega-Godoy Talks

*93CA0209A Managua EL NUEVO DIARIO in Spanish 11 Sep 93 p 4*

[Commentary by Francisco Bravo Lacayo]

[Text] The contacts between former President Daniel Ortega and Vice President Virgilio Godoy have aroused mistrust and suspicion among some Sandinists.

We think this is only natural, given the tremendous distrust and polarization that exist among the leaders of all the country's political parties.

It is not easy for two men to come together when mere days before they engaged in a violent verbal clash that made even a simple pro forma greeting inconceivable. And if that was not possible between two old political hands, it is easy to imagine what is going on in the minds of those who are not used to such maneuvering.

It is not a question of giving a dose of oxygen to a person; the oxygen must be injected into the rarefied atmosphere that has resulted from this polarity, so that the environment will be propitious for a national understanding.

If we agree that armed violence is not the way to solve national problems, in view of the population's extreme poverty and the destruction of the productive apparatus, the logical thing to do is to open up the floodgates that had been holding back the waters that will wash away prejudice and remove the obstacles that until now have stood in the way of an agreement that would benefit everyone.

Of course, the contacts should be carried out openly, with healthy patriotic objectives, because otherwise they will aggravate the polarization.

This modus operandi contrasts with the closed-mindedness of the National Opposition Union (UNO) leadership, who have been an insurmountable barrier that could not even be pushed aside with the mediation of the Central American foreign ministers and OAS Secretary General Joao Baena Soares.

In this sea of intolerance, a mere exchange of words between Daniel Ortega and Virgilio Godoy opens up a crack in the wall of intransigence to let a ray of light into the shadows.

In the search for peace, we should not fear contacts of any sort. This fear is the product of insecurity and a lack of commitment to the task that all Nicaraguans should undertake so that we can move forward.

### Correction—Cerna Appointed Army Inspector General

*PA1810153793*

The following correction pertains to the item headlined "Cerna Appointed Army Inspector General," published in the 18 October Latin America DAILY REPORT, page

44: Page 44, column two, sourceline reads... Managua BARRICADA in Spanish 16 Oct 93 p 10... (correcting date)

## Panama

### Commission Says Canal Must Be Managed Using U.S. Rules

*PA1810123893 Panama City LA PRENSA in Spanish 13 Oct 93 p 4A*

[Article by Manuel Alvarez Cedeno]

[Text] Joaquin Vallarino, president of the Presidential Commission for Panama Canal Affairs [CPAC], has stated that the inclusion in the Constitution of a chapter dealing with the Canal will lay the foundation for the efficient management of this water passage once it is turned over to Panamanian hands six years from now.

The CPAC commissioners met yesterday with the media and reported on the commission's progress.

Vallarino said: "If we Panamanians want to manage the Canal well and obtain optimum benefits, we must maintain the rules, systems, and routines used by the North Americans in administering the Canal."

According with the Torrijos-Carter Treaties signed in 1977, the Canal will pass totally to Panamanian hands at noon on 31 December 1999. CPAC has prepared a draft bill adding Chapter XV—on the Canal—so that the waterway is managed efficiently once it is in Panamanian hands.

Vallarino said that if the rules currently being implemented in Panama are not given constitutional validity, it would be unconstitutional to implement them.

Commissioner Alfredo Ramirez Jr. explained that it is necessary that this bill be discussed during this legislative period and approved in the next period because the year 2000 is approaching.

The current Panama Canal Commission is a U.S. agency that is ruled by U.S. laws, he explained. The draft calls for the creation of a Panama Canal Authority, whose main function would be the administration and operation of the Canal. It would have legal status, its own patrimony, and the right to administer it.

It was announced that this organization will set tolls, tariff-rates, and Canal dues to ships transiting the Canal, subject to final approval by the Cabinet.

### Teachers, Students Stage Demonstration at Presidency

*PA1810235993 Panama City Telemetro Television Network in Spanish 1730 GMT 18 Oct 93*

[Text] Striking school teachers today picketed schools that have remained open and again marched to the Presidency accompanied by students and parents.

Despite the fact that over the weekend the government prepared the payroll to advance one month's vacation pay to teachers who decided to return to their classrooms today, not a single teacher heeded that summons. Instead they confirmed that the strike will continue and will never end unless they achieve their goals.

Teachers and professors picketed various schools that have remained open during the strike, even though the teachers there have not taught classes because no students attended. Leader Enrique Bernal spoke with reporters.

[Begin Bernal recording] The rank and file is consolidated. No students are attending the schools that claim to be operating, which proves that teachers are being encouraged when they are not truly fulfilling their educational duties. They are meeting a schedule, but they are not educating anyone. It also shows the Panamanian people who is right. This situation must not continue. The government should not continue paying people who are only making a show of being against the strike. Their conduct is more immoral than that of the teachers who are struggling and not getting paid. [end recording]

Following a brief meeting at Plaza Porras at noon today, teachers, students, and parents marched to the Presidency not to request but to demand a solution to the educational crisis and a prompt return to classes. An unidentified student addressed the demonstrators.

[Begin student recording] We cannot keep playing games. The time has come to stage strong but peaceful demonstrations in the streets. I can reiterate today that our actions will not cease. [end recording]

## Argentina

### Brazilian President Visits Menem in Hospital

*PY1810132693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1714 GMT 17 Oct 93*

[Text] Buenos Aires, 17 Oct (NA)—Brazilian President Itamar Franco visited his Argentine counterpart Carlos Menem this morning for 15 minutes in the hospital room where the Argentine president has been since last Thursday [14 October].

Being the first—and so far the only—president to have visited Menem at the hospital where he is recovering from surgery, Franco extended to the Argentine president the "solidarity" of the Brazilian people.

"I found the president very well; he is in a perfect state of mind, and he looks very well, very happy," the Brazilian president said in a brief contact with reporters waiting outside the Buenos Aires Heart Institute in the Buenos Aires neighborhood of Belgrano.

Franco told reporters: "Seeing him so well recovered is a great satisfaction for all, not just for the Argentine people but also for all Latin American people because President Menem is very important at a world level."

The Brazilian president added that following his "concern" over hearing of the Argentine president's illness, "there are now expressions of solidarity and joy" over his improvement.

Consulted on how he found his Argentine counterpart during his brief visit, the Brazilian president said: "The president has made a splendid recovery."

Franco arrived in Buenos Aires on his way from Santiago where he participated, from Thursday to Saturday, in a summit of the so-called Rio Group, at which President Menem was also supposed to have attended although at the last moment he had to suspend his trip.

The Brazilian president arrived at the hospital where Menem is interned at 1040 aboard a black limousine carrying his country's flag.

Brazilian Ambassador to Argentina Marcus Azanye and Brazilian Foreign Minister Celso Amorim arrived in the same limousine. Argentine Foreign Relations and Latin American Affairs Secretary Fernando Petrella accompanied them.

Protected by a fence that prevents reporters from getting within 10 meters from the entrance of the medical institute, Franco went directly from the limousine inside the hospital without making any remark to the press.

Fifteen minutes later, at 1055, Franco left the hospital. After making some brief remarks he boarded the limousine which was parked in front of the institute and left for the metropolitan airport to continue his trip to Brazil.

### Defense Minister Confirms One Ship To Be Sent to Haiti

*PY1810145193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2027 GMT 17 Oct 93*

[Text] Buenos Aires, 17 Oct (NA)—Defense Minister Oscar Camilion today noted that "for the time being" the Argentine Government will send "just one ship" to participate in the naval blockade by the UN Security Council on Haiti to enforce the return of overthrown President Jean Bertrand Aristide.

Although Foreign Minister Guido Di Tella noted this weekend in Chile, before returning from the Rio Group Summit, that the government is willing to send two ships to participate in the blockade, Camilion noted that, for the time being, just one ship will be sent.

Camilion said: "For the time being, just one ship, a French-made corvette that has been in a state of preparation since yesterday, will go." He apologized for not supplying the name of the ship because—as he admitted—he failed to remember it.

In remarks to a Buenos Aires radio station, the minister added that the Argentine ship that will be sent to Haitian waters "will enforce the [UN-sponsored] embargo that seeks to prevent the entry of fuel into the island [as received] because it is understood that economic pressure may thus be exerted."

By sending a contingent to the Caribbean island, Argentina will again comply with a UN Security Council resolution, as it did in January 1991 during the Persian Gulf war.

On that occasion, and in spite of criticism by the political opposition, the government sent the corvette Spiro and the destroyer Almirante Brown, whose crews were under the command of the international force that fought Iraqi President Saddam Husayn.

Under the present UN resolution, a maritime blockade will be carried out to force the military authorities, headed by de facto President Raoul Cedras, to comply with the agreements signed on 3 July. Under these agreements, Father Aristide, the overthrown head of state, must return to Haiti by late October.

Former Argentine Foreign Minister Dante Caputo, the UN negotiator, pointed out that there are also various copies of a letter signed by General Cedras, in which he agrees to leave his post on 15 October, that is, last Friday.

Concerning the decision by the UN Security Council, Brazilian President Itamar Franco—who this morning visited the Argentine head of state at the clinic in which the latter has been hospitalized since 14 October—said that, as a UN member, his country "will observe all resolutions" by the United Nations.

Concerning the crisis in that Central American country, Hernan Patino Mayer, the Argentine ambassador to the

OAS, said: "If Gen. Cedras does not control power, he should immediately cease to be chief of state." Patino Mayer, however, made it clear that this is "his personal" assessment.

Patino Mayer told Radio Continental: "The Haitian case is exemplary because no Latin American or European country has recognized the regime headed by Cedras."

The diplomat emphasized that "all demonstrations against the United States and the United Nations in Haiti, especially in Port-au-Prince, the capital, are promoted or abetted by the military government" headed by Cedras.

Patino Mayer added that the Argentine Government, through the Foreign Ministry, "has fully guaranteed Dante Caputo's security." Patino Mayer described as "brutal" the murders of a Haitian entrepreneur—a friend of Aristide—and Guy Malari, the defense minister of the overthrown head of state, both of which were committed this week.

Discussing the return of a normal institutional system in that small Caribbean country, the Argentine official emphasized the need that the restoration of democracy in Haiti must be "guaranteed by the military forces."

As far as sending the Argentine ships is concerned, Minister Camilion said that "the financing issue is within the overall context." He pointed out that "this must be guaranteed, but it is not the only issue."

Camilion also took advantage of the opportunity to mention the Argentine Government's opposition to the arms blockade against our country by the UN Security Council. He emphasized: "It is necessary to close this issue."

The minister noted: "It is contradictory for the UN Security Council to apply sanctions against one country and ask us to participate while, on the other hand, an arms embargo is applied against us as a consequence of the pressures exercised by a member of the UN Security Council."

Camilion said: "This issue must be very seriously raised with all interested parties, namely the United States and the United Kingdom, which are UN Security Council members and, of course, have an extremely important responsibility in this decision (on Haiti) which we support."

Camilion firmly approved the decision on Haiti by the UN Security Council, adding that the boycott "represents a coercive method with a minimum use of force."

### Camilion: Ship To Leave 20 Oct

*PY1810181793 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1735 GMT 18 Oct 93*

[Text] Buenos Aires, 18 Oct (NA)—Defense Minister Oscar Camilion officially announced this afternoon that the corvette Grandville will leave on Wednesday [20 October] from Puerto Belgrano for Haiti.

Camilion made this announcement at the Libertador building, the Army headquarters, when closing the course for future chiefs of army units and sub-units for 1994.

### No 'Final Decision' on Date for Plebiscite

*PY1810201993 Buenos Aires BUENOS AIRES HERALD in English 17 Oct 93 p 4*

[Text] (DYN-NA)—While Presidential Chief-of-Staff Eduardo Bauza asserted yesterday that there had been no final decision made on the possibility of calling a non-binding plebiscite on the reform, the Justicialist Party's National Council general secretary Alberto Kohan stated that the poll would take place.

Bauza told a local radio station that "there is no final date nor a final decision on the nationwide plebiscite." He added that the plebiscite "is an instrument which continues to be valid for the government and it is possible that it might be used, but we have not fixed a date for it."

Bauza said that he was confident that the Senate would approve on Wednesday the statement declaring the need to reform the constitution. Bauza seemed to admit reports that the government would reduce its reform bill in order to count with the support of Bloquista San Juan Senator Leopoldo Bravo. Bravo "will support us," he said, and the draft "could possibly be limited in its size but essentially it will remain the same."

On Wednesday, President Carlos Menem had told the press that he was set to call a national plebiscite within the next few days to decide whether the government should go ahead with its proposal for constitutional reform including presidential re-election.

Bauza said that the Justicialist Party did not "have any sanctions in mind" for those Peronist legislators who could refuse to vote in favour of the constitutional amendment. Speculation of possible disciplinary action grew following the decision made during a September 9 session by dissenting Senators Jose Octavio Bordon and Antonio Cafiero not to vote in favour of the draft if a consensus was not reached with the opposition.

Kohan, in turn, said that the government would go ahead with its idea of consulting voters on the reform because Menem "is not afraid of the people's opinion."

Kohan's statements are seen as a move by the Justicialist Party to pressure government officials who in recent days have preferred negotiations with the opposition Radical Party—over the plebiscite—as a way to have the constitution reformed.

Interviewed by a local news agency Buenos Aires Governor Eduardo Duhalde said that if the plebiscite result

went against the reform then the government "would have to file away" its wish to amend the constitution.

Duhalde blasted former president Raul Alfonsin for not supporting a plebiscite and said that Bordon could review his decision not to back the government draft in Wednesday's Senate debate.

The governor added that he had no doubts that Caffiero would vote in favour of the reform during the session, in which the government needs a two-thirds majority to have the bill approved.

Meanwhile, the head of the Radical bloc of Senators Jose Genoud reiterated his party's opposition to the reform and said that the plebiscite "has a built-in trap."

Genoud charged that the government may use a favourable result in the poll to then introduce presidential re-election in the new constitution.

In a related development the Communist Party's (PC) national assembly yesterday came out against the constitutional reform and called on political parties to organized a joint board to promote the negative vote in the plebiscite. The PC assembly which met yesterday said that the Radical Party should not be included in such board.

### Menem To Decide 21 Oct

*PY1810200993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1733 GMT 18 Oct 93*

[Excerpts] Buenos Aires, 18 Oct (NA)—President Carlos Menem today announced that after a 21 October cabinet meeting he will decide whether to call a national plebiscite to reform the Constitution because he wants to have a chance "to take an examination before the people."

Menem also said that this week he will meet Cordoba Governor Eduardo Angeloz, and "it is very possible" he also will meet Radical Civic Union President Mario Losada and former President Raul Alfonsin.

The chief of state made these statements during a news conference in the mini-theater in Olivos presidential residence an hour and a half after leaving the Buenos Aires Cardiovascular Institute where he had surgery on an obstructed carotid artery.

The president also confirmed that he suspended his trips to Ecuador and Spain but still maintains in his agenda the trips scheduled for the Netherlands, Japan, and India. [passage omitted]

With tearful eyes and a trembling voice, Menem—who had a bandage where he was operated on, and wearing a blue blazer, a light blue shirt with a white collar, and a matching tie with red and green designs—began speaking with journalists and thanked the doctors who participated in his surgery. [passage omitted]

Menem acknowledged that "until the surgery took place I had not been feeling very well but given an attitude one always adopts in cases of this kind, one hides things and does not tell them to the doctor so that is why these things happen."

He then said that he will not reduce his activity level, which will continue "at the same level and intensity," although he admitted he will observe a recovery period.

Later, when asked about his meeting with Raul Alfonsin, Menem said: "It was a meeting during which the only political thing was the fact that it was a meeting between two politicians, a former president and a president, but we did not discuss political matters in the least."

"We spoke about many things, we made some jokes, and referred to subjects that have nothing to do with politics. Dr. Aldo Neri also was present discussing some medical cases, but we did not speak about politics," he said.

Later he added: "Of course there is a possibility of meeting again with Alfonsin but let us see how things develop. I appreciate Alfonsin's gesture, who came to greet me at a somewhat difficult moment in my life. One cannot forget this kind of thing. Let us see if in a few more days, if Alfonsin wants to, we can meet to talk about some specific subjects of our profession."

When asked whether in the face of this kind of emergency it would be better to have a vice president, Menem answered: "For the time being we do have a vice president," meaning his brother Eduardo Menem, provisional Senate president.

Menem said: "In the next presidential term there will be a vice president elected by the people." [passage omitted]

He also said that by the year 2000 "perhaps the Malvinas Islands will be under Argentine sovereignty because I maintain that there is a great possibility for this" to happen despite statements by British diplomats.

Finally, regarding the plebiscite called by Rio Negro Governor Horacio Massaccesi on the constitutional reform, Menem said: "He is a man with a great future, a winner."

"He expressed his view" so that is why he called on the citizenry for consultation, Menem said.

## Brazil

### President Not To Place 'Obstacles' to Shortening Mandate

*PY1810222193 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 18 Oct 93*

[Live report by Cristina Indio do Brasil from Planalto Palace]

[Text] President Itamar Franco will not place any obstacles to shortening his mandate if Congress approves

holding earlier elections. The president's position was confirmed a short while ago by presidential spokesman Francisco Baker:

[Begin recording] It is important to clearly state that the president will not undertake any initiative to suggest moving up the general elections. If Congress, by the initiative of one of its members, decides to move up the general elections, the president will not object to reducing his mandate. But this is in case someone suggests discussing the issue in Congress. [end recording]

President Itamar Franco commented on this subject today with the government's leader in the Senate, Pedro Simon.

### Group of Army Reserve Officers Releases Manifesto

*PY1810185693 Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Oct 93 Section 1 p 5*

[Text] A second manifesto released by the Bandeirantes Group [Grupo Bandeirantes], comprising about 40 Army reserve officers, emphasizes that Brazil's situation already is on the "verge of a civil war due to the moral, political, and economic crisis the country is experiencing." According to reserve Colonel Newton Jacques, 70, the group's coordinator, "the politicians, who have become involved in rampant corruption, are to blame."

The manifesto, released on 13 October, also champions the constitutional revision, criticizes the congressmen who attempted to forestall a bill initiating the reform work, and lashes out at parties considered leftist. The manifesto describes the people linked to these parties as "communistlike."

Jacques said the Bandeirantes Group still has not defined support for any candidate for next year's elections. He said he still harbors hopes that a soldier might run for president of the Republic.

In Jacques' opinion, Luiz Inacio Lula da Silva, the Workers Party's virtual candidate for president of the Republic, is not the best solution for the country. "We do not want leftism in power," Jacques emphasized.

The Bandeirantes Group was formed in July. It already has released two manifestos. Jacques reported that the first manifesto had virtually the same context as the one released 13 October, but it was not as complex. In Jacques' opinion, these measures are aimed at "making the Brazilian people aware of the struggle to defend the national institutions. We do not favor pressure, but this may be described as a form of pressure."

### Exchange Surplus Drops; International Reserves Increase

*PY1810171193 Rio de Janeiro O GLOBO in Portuguese 16 Oct 93 p 22*

[Text] Brasilia—During September, Brazil recorded an exchange surplus of just $345 million, the lowest since December 1992 and some 82-percent less than the $1.9 billion recorded in August. A note was issued by the Central Bank which explains that the massive outflow of currency was prompted by the new rules imposed by the Central Bank itself, prohibiting the investment of foreign capital in Fixed Earning Funds, which prompted a repatriation of capital.

International reserves again created a historic record, ending the month of August with $20.2 billion of cash on hand (available money) and $27 billion in international liquidity (which includes credits to be received).

The record exchange surplus is a result of the increase in foreign currency investments in Brazil which in August showed an increase of 65 percent compared with the previous month. The September monetary base (circulating money plus bank reserves deposited in the Central Bank) showed an increase below the inflation rate at 31 percent on the daily surpluses and 26 percent on the monthly basis—which compares the end of the month surpluses. In addition to the foreign sector, which pressured the base with a total outflow of currency totalling 23 billion real cruzeiros, other pressuring factors include the exchange of investments on the financial market. The Central Bank note states that there was a great outflow of resources deposited in the Financial Investment Fund and in the DER (Special Earning Deposits). Economic Department chief Helio Mori said that the increase in interest rates and the end of the IPMF [Provisional Tax on Financial Operations] have led people to invest in CDBs [Bank Deposit Certificates]. Also in September, the government reduced by 4.3 percent the domestic public debt outside the Central Bank.

### Hargreaves, Costa Place Posts at Franco's Disposal

*PY1810161593 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 18 Oct 93*

[Text] Regional Integration Minister Alexandre Costa, who has been mentioned by former Senate Budget Committee Director Jose Carlos Alves dos Santos in the corruption charges, went to see President Itamar Franco this morning and placed his post at the president's disposal until everything is resolved.

Civilian Household Chief Henrique Hargreaves, who was also mentioned in the corruption charges, has also placed his post at the president's disposal.

## Chile

### Aylwin Sends Letter to Clinton on Behalf of Rio Group

*PY1910001393 Santiago Radio Cooperativa Network in Spanish 2200 GMT 18 Oct 93*

[Relay by Manola Robles from Government House]

[Excerpts] President Patricio Aylwin said the strike in the health sector is going nowhere and strikers should return to work.

The president was asked about the strike in the health sector after bidding farewell to Ecuadoran President Sixto Duran at La Moneda, where the president talked with Chilean and Ecuadoran journalists about various subjects. [passage omitted]

Aylwin said that—on instructions from the presidents of Rio Group countries—he already has sent a letter to U.S. President Bill Clinton, conveying to him the Rio Group's concern about the uncertain fate of the free trade treaty the United States will have to ratify with Mexico. This treaty was one of the main concerns of Rio Group presidents.

Aylwin told Ecuadoran journalists he is satisfied with his government's performance. Asked why he will not run for reelection, Aylwin replied:

[Begin recording] Look, traditionally, Chile has had no reelection. When I was told about the possibility of amending the Constitution for my reelection, I rejected it because I am not in favor of reelection for a consecutive period, and also because I am not very young. I believe I have done my duty. [end recording]

Concerning the state in which he will hand over Chile to the next government, Aylwin said:

[Begin recording] I believe I will hand over a country at peace, a country with a quite democratic coexistence, with full enforcement of public freedom, human rights, with organized political parties that participate in the national life, and with the democratic system at work; with a growing, prosperous economy, despite the external difficulties we are confronting because of the drop in price of some of our export products and because of protectionism in some parts of the world. [end recording]

And also growing investments, reduced inflation, lower unemployment, and a balance between economic development and social justice. I believe we will hand over a country in which the number of poor people will have dropped by 1 million, and with poorer people who are actually less poor, Aylwin concluded.

## Party for Democracy Issues Communique on Rio Group Summit

*PY1810133393 Santiago Radio Cooperativa Network in Spanish 1000 GMT 18 Oct 93*

[Text] The Seventh Rio Group Presidential Summit, which ended in Santiago, represents another step in the development of Latin America's voice and a reason for profound and well-grounded hopes for the well-being of the Latin American majorities.

This is stated by the Party for Democracy, PPD, in a press communique. After greeting the authorities present at the summit, the PPD hails the fact that the summit was held in our country. We assess this fact, the communique says, as a contribution to our commitment to strengthen democracy and to enhance civil and political rights.

The communique adds that Latin America is in the middle of a virtual international recession, a decline in international trade dynamics, and continuing protectionist practices.

Compared with industrialized countries, the communique adds, Latin America is increasing its GDP [gross domestic product], its investments, its exports, fiscal discipline, and its commitment to free trade.

The PPD communique concludes by stating that the strengthening of democracies on the continent shows Latin America as being more united before the international community.

## Ecuadoran President Visits Chile, Discusses Trade

*PY1810210593 Madrid EFE in Spanish 1716 GMT 17 Oct 93*

[Text] Santiago, 17 Oct (EFE)—Ecuadoran President Sixto Duran-Ballen today started a two-day official visit to Chile. Duran-Ballen hopes to sign an economic cooperation agreement with Chile soon, "perhaps before the end of President Patricio Aylwin's term."

Duran-Ballen said in a interview published by the Santiago newspaper LA EPOCA that he hopes this visit, the first by an Ecuadoran head of state to Chile in several decades, will be a landmark permitting "an important improvement" in bilateral relations.

"Ecuador, Chile's ally and strategic partner due to its geopolitical location, hopes to sign an economic cooperation agreement with Chile soon, perhaps before the end of Patricio Aylwin's presidential term," the Ecuadoran president said.

Aylwin will hand over power in March 1994 to the candidate who wins the 11 December presidential election.

Duran-Ballen regretted the fact that political circumstances in Ecuador and Chile had prevented a more fluid relationship between the two countries, "which share feelings and interests." The Ecuadoran president was grateful for the opportunity offered by the seventh Rio Group summit to travel to Santiago and resume the bilateral dialogue.

The Ecuadoran president thinks that in order to make the two countries' relations more dynamic Chile and Ecuador must explore the possibility of increasing exchanges at the entrepreneurial level because the two countries have essentially complementary economies.

Sixto Duran-Ballen said he trusts that process could yield excellent results in the short term, and cited the example of an agreement with the Colombian Government to open the two countries' borders, "which has yielded incredible results in a single year."

Duran-Ballen said Ecuador "has started talks with Bolivia and Peru" on the same subject, adding "why not do it with Chile, a country with which we had closer relations for a long time?"

On 17 October, the Ecuadoran president travelled to Vina del Mar, located 125 km west of Santiago, to meet President Patricio Aylwin, who had lunch with him at Cerro Castillo Palace, the Chilean head of state's summer residence.

Duran-Ballen's 18 October agenda includes a working meeting with Patricio Aylwin at La Moneda Palace in Santiago; afterwards the two presidents will sign various economic cooperation and trade agreements.

The Ecuadoran president also will meet Senate President Gabriel Valdes, Chamber of Deputies President Jorge Molina, and acting Supreme Court President Servando Jordan.

At night President Aylwin will offer a reception in honor of the Ecuadoran president at La Moneda Palace. Duran-Ballen will return to Quito first thing on 19 October.

### Statement, Bilateral Agreements Signed

*PY1910015293 Santiago Radio Cooperativa Network in Spanish 2200 GMT 18 Oct 93*

[Text] Chilean President Patricio Aylwin and Ecuadoran President Sixto Duran signed a joint statement in which they strongly rejected unfair commercial practices and protectionism, especially in industrialized countries.

Duran today began an official visit to Chile. He met Aylwin in the morning and had lunch with his host at the Carrera Hotel. In the afternoon, the two presidents signed the joint statement and bilateral agreements.

In the economic field, the statement endorsed the efforts the two countries have made to expand their exports and overcome the obstacles that prevent the full exercise of free commerce between all countries.

## Colombia

### Presidential Hopeful Samper Presents Anticorruption Bill

*PA1810214593 Santa Fe de Bogota EL TIEMPO in Spanish 14 Oct 93 p 7A*

[Article by Jesus Ortiz Nieves]

[Text] Barranquilla—Speaking to dozens of students and journalists, Liberal presidential hopeful Ernesto Samper yesterday presented a bill containing an anticorruption statute, which will be forwarded to Congress with the support of more than 1 million signatures.

Accompanied by advisers Fernando Botero and Horacio Serpa and former Minister Monica de Greiff, Samper presented the initiative at the El Prado Hotel in Barranquilla. He held a brief news conference and then placed his signature atop the list of citizens who support the initiative.

The bill has several basic tenets: citizens' participation through public hearings and oversight boards; clear information about the actions by public institutions as well as cooperation with the media for their watchdog functions; severe penalties for those guilty of corruption, as well as immunity for those who effectively cooperate with justice; an extensive education policy that begins in elementary schools; and the creation of the National Commission To Struggle Against Corruption, which be a temporary group.

#### Participation

In addition to being backed by thousands of citizens, the bill grants broad powers to citizens to enable them to contribute to the fight against corruption. Public hearings will consist of special sessions that officials must hold for people who demand information about efficiency and morality in public administration.

The request for hearings can be made by any nongovernmental organization or youth, professional, civic, union, peasant, ecological, users, consumers, or charity group.

Citizen oversight boards, which were created in the statute on mechanisms of participation, will also cooperate in the struggle against corruption.

In addition to the functions already established by the statute, the oversight boards will have other functions provided for in this bill. These include ensuring that contracts are duly fulfilled and the issuance of reports about the contracts they are overseeing.

#### Opening of the Media

Investigations by the media will be fully supported through this anticorruption statute. The media's watchdog function will be considered a social task and must receive special protection from the authorities. Journalists also will have special preference with regard to access to public documents. The principle of good faith is reinforced as an appropriate mechanism to facilitate journalists' accreditation. It describes what improper conduct by officials entails when they refuse to provide information to the press, but it also warns about the obligation journalists and the media have to protect basic rights.

Meanwhile, the bill also establishes new mechanisms that will facilitate the transmission of information between public institutions and citizens. Offices for complaints and claims against institutions will be

improved and the publication of a "Bulletin of Information for Citizens" is being proposed. The bulletin would be complementary to the Official Gazette as a means of expediting the information from public institutions.

**National Commission**

The statute proposes a National Commission To Struggle Against Corruption, which would be formed by three citizens and would be of a temporary nature. Its functions would be to coordinate interinstitutional work in the fight against corruption.

From elementary school, children will learn about the preservation of fundamental ethical values, and this work will continue through secondary school and university education. This course will not be imposed from above but will be created on the basis of discussion and participation by the students so that democracy and the search for consensus will be fostered.

According to the bill, experts on the Constitution and ethics will permanently evaluate the courses at the different levels of education. There will be education not only for students but also permanent campaigns for the community and public officials.

**Penalties**

The bill contains a special chapter on penalties and punishment in two forms: There will be severe penalties for crimes involving corruption and benefits for those who cooperate in uncovering crimes.

According to the bill, the following crimes will be severely punished, without benefit of bail: embezzlement, extortion, bribery, illegal signing of contracts, and illicit enrichment.

The bill also proposes to severely punish individuals who take the initiative in an act of corruption, but a reduction in penalties will be established for those who confess their crimes or denounce corrupt officials.

In the same way, there will be benefits for the government worker who effectively cooperates with justice.

Samper said this new model "puts teeth" into the statute, because many people refrain from reporting acts of corruption because in one way or another they are involved in them.

### Congress Approves Electoral Calendar Bill; Election Set for 8 May

*PA1810221793 Santa Fe de Bogota EL TIEMPO in Spanish 14 Oct 93 p 9C*

[Excerpt] In a plenary session on the evening of 13 October, the Senate approved the 15 articles of the bill establishing the 1994 electoral calendar and delayed until 19 October the debate of the new articles.

The date for the presidential and vice presidential elections was changed again. The elections will not take place on the last Sunday of May, as decided on 12 October, but will be held on the second Sunday in May; that is, on 8 May.

Therefore, the second round of elections, if necessary, will take place on 12 June; that is, three weeks after the first round of elections. [passage omitted]

### De la Calle Inaugurates New Civic Movement

*PA1810224893 Santa Fe de Bogota EL TIEMPO in Spanish 14 Oct 93 p 7-A*

[Text] Liberal Party presidential hopeful Humberto de la Calle Lombana has given the name "Participating" [Participar] to the new civic movement that he officially inaugurated in Santa Fe de Bogota's Teatro Libre.

During the ceremony, which was attended by 600 persons, including leaders from various regions of the country, De la Calle encouraged students, homemakers, shopkeepers, and others to join the movement.

This new group intends to promote the mechanisms of civic participation that are enshrined in the Constitution and prescribed by national law, such as the plebiscite and popular initiative.

The purpose of the movement is to encourage citizens to propose initiatives in areas that concern them, such as health and education, so as to influence government policy in those areas.

## Paraguay

### Wasmosy Returns From Rio Group Summit

*PY1810161193 Asuncion PATRIA in Spanish 18 Oct 93 p 1*

[Text] A total of 13 heads of state attended the Seventh Rio Group Presidential Summit over the last few days in Santiago, Chile. During a speech at this summit, Paraguayan President Juan Carlos Wasmosy said the development of our countries is the greatest challenge confronting our governments.

While expressing his government's full commitment to democracy, Wasmosy said that one should not forget that social deterioration is highly contagious, spreads like lightning, and knows no frontiers.

He stated that this is the why the development of our countries is the greatest challenge facing our governments, adding that one must take up this constant and implacable challenge with a resolute will to overcome it.

The president of the Republic is home. He returned on the evening of the 16 October after a delay in his original schedule. He will resume his normal tasks at the helm of the government today.

Wasmosy stated that when one's life is degraded by abject squalor one is not able to understand either

pluralism, democracy, or respect for human rights. This lifestyle knows only disenchantment and frustration. A population hemmed in by the most anguishing lack of the barest necessities of life turns a deaf ear to valid reason and rejects the practice of heroic virtues.

### German Official Arrives, Notes Interest in Development

*PY1810160893 Asuncion NOTICIAS in Spanish 12 Oct 93 p 18*

[Text] Hans-Peter Repnik, German Economic Cooperation and Development Ministry Secretary, arrived yesterday at the "Silvio Pettirossi" Airport.

Repnik is also chairman of the board of governors of the Inter-American Development Bank (IDB). He is accompanied by officials of the German foreign policy and journalists.

Interviewed by local reporters upon his arrival, the German Government representative said he is interested in the social and economic development of Paraguay during this democratic opening.

He said the image of Paraguay is changing in Germany and that there are good possibilities of increasing technical cooperation between the two countries.

The German Government representative told the press that he will remain in the country long enough to hold contacts with public and private sectors of the Paraguayan economy. He said he will meet tomorrow with President Wasmosy and with ministers and congressmen.

He declined to give further details of his visit, adding that after the meetings with government officials he will hold a news conference.

Consulted about the past German ambassador who said repeatedly during news conferences that "German investments in Paraguay will not take place until private property is respected and German criminals, resident in our country, are extradited," Repnik said he "did not want to make a personal statement on the matter."

### Riquelme Regrets Wasmosy Did Not Receive PRC Delegation

*PY1810221093 Asuncion ABC COLOR in Spanish 15 Oct 93 p 11*

[Text] Colorado Party President Blas N. Riquelme yesterday regretted the fact that the PRC delegates visiting Paraguay with the intention of establishing commercial and diplomatic relations were not received by President Juan Carlos Wasmosy. Riquelme said Paraguay is a free country and must maintain relations with the rest of the world. Moreover, he noted that should relations with Taiwan be broken, Paraguay will have to seek a broader market, such as with the PRC.

After meeting with representatives of the Authentic Radical Liberal Party and the Febrerista Party, the PRC delegation members went to Colorado Party headquarters, where they met the leadership of the governing party, headed by Blas N. Riquelme.

Riquelme commented: "This is an open, free country. I am sorry such an important delegation was not received. Times are changing and we need to broaden our market."

Riquelme added that he himself will talk to the president "so he can negotiate with PRC authorities on the establishment of commercial and diplomatic ties."

He also said that if the problem to a bilateral rapprochement with the PRC is the probable rupture of diplomatic ties with Taiwan, it is better to deal with a broader market. Riquelme added: "Paraguay must export and the PRC is a huge market. If we have an agreement with the Taiwanese Government, it should not become a barrier, because Paraguay needs to sell its products."

Finally, Riquelme noted the importance of a relationship with the PRC because, in addition to representing a huge market, it is a good payer.

At 0900 today the PRC delegation will meet representatives of the independent National Encounter Party to continue negotiations on a possible rapprochement with our country.

## Peru

### Editorial on 'Positive' U.S. Congressional Action on Aid

*PY1810235293 Lima EL COMERCIO in Spanish 1 Oct 93 p A2*

[Editorial: "The U.S. Congress and Cooperation With Peru"]

[Text] The U.S. Congress' decision to at least partially eliminate the norm that prohibited U.S. assistance and cooperation to Peru is a very important and positive step in our relations with that country.

Not only because it amends a mistaken measure by the United States, but because it will help, in principle, the needs of less-favored people who used to receive direct U.S. aid through social assistance programs, and also because it marks the possibility of again launching joint alternative development projects in drug-trafficking zones.

As can be recalled, U.S. cooperation with Peru was suspended because, among other things, pilot Joseph Beard was killed when a U.S. Hercules airplane was forced to land by armed FAP [Peruvian Air Force] airplanes.

Given this confusing and regrettable incident, which took place on April 24, 1992, the U.S. Senate imposed a

total restriction on assistance programs for Peru as long as the case was not clarified and the pilot's relatives were not compensated.

Now, through amendment No. 103, the U.S. Congress has stripped the measure of its radical characteristic. Without insisting on an explanation of the maneuver, the U.S. Congress is only demanding that the Peruvian Government consider granting "a fair, timely, and equitable compensation to the widow and children of U.S. Air Force Sargent Joseph Beard, Jr."

However, an agreement has not been reached regarding the amount of the compensation. On the one hand, while the dead pilot's relatives are demanding a high compensation of about $1 million, the Peruvian Government, according to its spokesmen, is willing to pay only up to $150,000.

The issue is particularly arguable because, after all, the incident itself was confusing, and the U.S. aircraft did not identify itself in time moments before it was attacked.

In any case, the appropriate thing to do now is to resort to all the pertinent legal measures to first clarify exactly what happened, although the U.S. amendment considers this aspect resolved, and then an agreement must be reached without conditioning it, like until the present, to U.S. congressional political issues.

That is the positive aspect of the amendment that leaves aside the radical restriction formerly imposed by the Senate. However, the amendment stresses that a percentage of U.S. aid be retained until the case is satisfactorily resolved.

Such a measure is equally timely given that it was proclaimed while the Peruvian president attended the annual UN General Assembly to inform the international community of his government program's guidelines.

This is very important because it not only improves our international image but allows Peru to show concrete programs, especially in three main fields: in the consolidation of the internal economic reforms and foreign investments safety—an issue for which national pacification is obviously important; human rights, whose respect is usually demanded by developed countries' governments; and in the consolidation of democracy, an issue on which there is nearly an international consensus and which is considered a basic condition for the maintenance of diplomatic, economic, and even humanitarian relations.

Amendment 103 creates a positive atmosphere for all these points in our relations with the United States because it can be understood as a change of perspective by the U.S. Congress regarding our country; a perspective we understand also is shared by the U.S. Executive Branch.

## Experts Analyze Shining Path Request for Negotiation

*PY1810213293 Lima EXPRESO in Spanish 2 Oct 93 p A4*

[Text] Subversion specialist Carlos Tapia said the peace agreement that Shining Path [SL] leader Abimael Guzman Reinoso requested from President Alberto Fujimori is "extraordinary news," noting that in an internal war this request means surrender. He said that to negotiate does not mean making concessions or suspending military operations.

Tapia explained that there are two types of negotiations. In the first type, both sides realize they cannot impose their will on the other. "In this case, negotiating means making concessions." The second type of negotiation occurs when one side feels defeated and realizes that continuing the confrontation would hurt its position even further. "In this case, the defeated side seeks negotiation to surrender."

"I therefore believe it is necessary to negotiate to facilitate the Shining Path's surrender. If one group within the SL does not accept it and continues the war, its actions will be illegitimate," he added.

Tapia said that, in his opinion, the following steps should be taken:

First, demand immediate suspension of all terrorist actions. This would prove that validity of the request for negotiations and show whether Abimael Guzman has actual command over all the groups and columns, that is, whether he is a valid interlocutor.

Second, delivery of the arms of groups and platoons and signing a document in which SL members promise to avoid using armed violence.

Third, recognition of the SL members' right to participate in the national political life.

Tapia explained, however, that surrendering does not entail that crimes will be allowed to go unpunished. He warned: "It is necessary to be careful with those fanatics who may feel like preventing the SL from surrendering, claiming that all of them should be killed."

### Doubts

For his part, Alberto Valencia Cardenas, former chairman of the former Chamber of Deputies' Pacification Committee, said he has doubts about the document Guzman submitted to the president.

"I do not doubt its authenticity but its practical value, because Guzman has been imprisoned for one year without talking to anyone, while his morale has been impaired. A man in such conditions cannot sign any document," he said.

Valencia, a former APRA [American Popular Revolutionary Alliance] deputy for Ayacucho, told EXPRESO

he is sure the SL will not lay down its arms. "I wonder about the practical effect of this surrender. The surrender will not work, and I can assure that the SL will not lay down its arms because of their formation and because this is how they operate." Valencia noted that no surrender document should be signed with the SL. Instead, it should be defeated, not militarily but politically and ideologically. "To this end," he added, "it is necessary to supplement President Fujimori's strategy, which is based on military and police action, with civil participation."

**A Matter of Time**

Specialist Jaime Antezana said that if a peace agreement is signed by the government and the SL, the terrorist organization's destruction will be only a matter of time because the blow to the morale of SL members who still are fighting will be stronger than that of the arrest of SL founder and leader Abimael Guzman.

He explained that top SL leaders might refuse to surrender, while the rank and file will see it as treason and probably avail themselves of the Repentance Law.

### Huallaga Front Commander Comments on Guzman's Letter

*PY1810204593 Lima LA REPUBLICA in Spanish 3 Oct 93 p 7*

[Text] Tarapoto—Army General Eduardo Bellido Mora, commander of the Huallaga Political Military Front, said the "peace agreement" suggested by Abimael Guzman to establish a possible truce will prompt many Shining Path [SL] members to lay down their weapons and surrender under the terms of the Repentance Law.

He nonetheless clarified that this agreement requested by the SL leader does not mean establishing a dialogue with the leaders of his group, which continues to cause terror in the country. "One cannot negotiate with this group of killers who have caused us so much pain and destruction," he said.

"In that document, he who made himself be called 'President Gonzalo' now acknowledges Fujimori as the only president of Peru," Gen. Bellido said, referring to the "peace agreement" signed by Abimael Guzman.

This means the extremist leader virtually acknowledges that his armed movement has failed in the country, Gen. Bellido said during a telephone interview with LA REPUBLICA.

Anyway, perhaps we could accept a truce if they lay down their weapons and surrender to the forces of order under the terms of the Repentance Law, Gen. Bellido said.

"Such a truce should be conditioned to terms established by the chief of state," he added, meaning that with this virtual capitulation by the SL chief the period imposed by the government to totally eradicate subversion from the country could be shortened.

He nonetheless expressed his doubt that subversion will be defeated overnight thanks to the peace agreement requested by Abimael Guzman.

Gen. Bellido said that although the imprisoned SL leader's message was heard via radio by most of the population, SL members hiding in the jungle will not be able to listen to it.

"In these cases, only the terrorist leaders have radio receivers and they are the only ones who can learn about what is going on in the country. The rest of the SL members are totally isolated and subordinated by terror to their leaders so they cannot learn anything about this," the military officer said.

Anyway, the Huallaga Front commander said, this news is very good for the country, although he pointed out that his struggle in the Huallaga Front will continue with the same resolve. He said he must fight on three fronts: the Shining Path, MRTA [Tupac Amaru Revolutionary Army], and drug trafficking. Ninety-eight percent of MRTA has been broken up so now we are concentrating on fighting the Shining Path.

Taking advantage of the truce expressed by Abimael Guzman, Gen. Bellido reiterated his appeal to SL members to lay down their weapons and surrender to the forces of order under the Repentance Law's terms.

## Uruguay

### Uruguayan UN Peace Force Members Return From Cambodia

*PY1910013193 Montevideo Radio El Espectador Network in Spanish 0000 GMT 19 Oct 93*

[Text] One hundred and twenty members of the second of four groups sent by Uruguay to Cambodia have returned from that Asian country. They are members of Uruguay Battalion 2, which participated in the operations carried out by the UN peace forces.

### President Lacalle Views Possible Failure of GATT Talks

*PY1910013893 Madrid EFE in Spanish 2135 GMT 18 Oct 93*

[Text] Montevideo, 18 Oct (EFE)—Uruguayan President Luis Alberto Lacalle said today that an eventual failure of the Uruguay Round of GATT talks "will cause more deaths than any other war."

The Uruguayan president also said that to finish the Uruguay Round of talks without including the agriculture topic—the most controversial subject—"will represent a bad joke on seven years of negotiations."

As he evaluated the seventh Rio Group Summit that took place last weekend in Santiago de Chile, Lacalle

expressed his satisfaction at the "firm call" made by the Rio Group presidents so the Uruguay Round of talks can conclude successfully.

"What is being said by a certain country, that the agriculture issue could be left out of the talks, represents a bad joke on seven years of negotiations," Lacalle said.

The Uruguay Round of talks, which is scheduled to end on 15 December, owes its name to the fact that they began in the Punta del Este beach resort in 1986; their closure was postponed many times given the absence of an agreement.

The agriculture issue, especially the position of the countries that subsidize their farming exports versus those who oppose subsidies, among which the Latin American countries can be found, threatens to turn the negotiations into a failure.

"I do not want to be overly dramatic because the history of trade is not as tragic as Bible episodes, but a trade war could cause more deaths than any other kind of war," the Uruguayan president said. "We are before the imminent end of one of the most important negotiations in recent history."

### Poll Reveals Voters' Preferences

*PY1810200093*

[Editorial Report] Montevideo EL PAIS in Spanish carries in its 3 October issue on pages 2 and 3, in the Second Section, a 1,000-word unattributed report on a poll reflecting voters' preferences for politicians and political parties.

According to the nationwide poll, 35 percent of voters support the Colorado Party, 21 percent the Broad Front, 14 percent the National Party, and 6 percent the New Sector Party.

The article says: "Uruguayan voters' preferences have remained very stable over the past eight months."

According to the poll, 83 percent of Colorado Party members prefer Julio Maria Sanguinetti as presidential candidate; 58 percent of Broad Front members prefer Tabare Vazquez as presidential candidate; 37 percent of National Party members prefer Carlos Julio Pereyra as their presidential candidate; and 95 percent of Broad Front members want Hugo Batalla as their presidential candidate.

The poll also concluded that 61 percent of Uruguayans disapprove of President Luis Alberto Lacalle's performance, and only 12 percent approve of Congress' work.

### Farming Minister Criticizes France in Farming Negotiations

*PY1910013393 Montevideo Radio El Espectador Network in Spanish 0000 GMT 19 Oct 93*

[Excerpt] The EC itself must be the one to stop France from opposing a farming agreement in the Uruguayan Round of GATT talks, said Uruguayan Agriculture, Livestock, and Fishing Minister Pedro Saravia.

The minister made this statement after the two-day meeting of the 14 countries members of the CAIRNS Group, which met in Geneva to seek a common strategy to end the Uruguay Round of GATT talks.

Saravia believes France is never satisfied. France, he said, is demonstrating total inefficiency on the farming topic in the Uruguay Round of talks to liberate international trade. He added that the French position is dangerous because if a fairer and more balanced international trade order is not attained, the situation will become unsustainable, especially for developed countries, which will begin a trade war among themselves that no one knows where it will lead.

Saravia said the CAIRNS group, which represents one-third of international agriculture exports, does not accept the Blair House agreement. This pact has not been formally presented to us and we have not been consulted about it at all, he said. [passage omitted]